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13 March 1986

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REGIONAL AFFAIRS

SOUTH KOREAN TRADE WITH ARAB STATES REVIEWED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Dec 85 pp 69-71

[Interview with South Korean Director of Trade Promotion Park On-So by Faysal Abu Zaki: "Our Problem with the Arab States Is Our Trade Balance Deficit With Them"; in Seoul, date not given]

[Text] South Korea is considered one of the principal states to have carried out substantial activities in Arab markets in general and in the Gulf markets in particular during the past 10 years. Korean contracting companies have obtained a share of Arab projects, and particularly Gulf projects, because of their strong competitive capability. The heavy presence of Korean workers in some of the Gulf countries has begun to receive emphasis because of the large numbers of workers involved.

Undoubtedly, the reduction in oil revenues among the Arab oil states has had its effect on the Korean companies as on companies of other foreign states. Nonetheless, the Korean companies still have a large and active presence and are actively working to strengthen this presence in a number of Arab countries, notably Iraq and Libya.

However, Korea is trying to compensate for the present decline in the construction sector of the Arab markets by diversifying its exports to these markets and by attracting Arab investments in Korea. "Korean products are high in quality and are cheaper than similar products, so why shouldn't the Arabs be willing to buy them?" So asks the general director of the Foreign Trade Promotion Section of South Korea's Ministry of Trade and Industry, Mr Park On-So, speaking to AL-IQTISAD WA AL-A'MAL. The Koreans are trying to convince the Arabs of this.

AL-IQTISAD WA AL-A'MAL met with the Korean official named above and reviewed with him the state of the Korean economy and its current initiatives in light of the growth of American protectionist sentiments. More importantly, AL-IQTISAD WA AL-A-MAL also reviewed with Mr Park the state of Korean economic relations, Korea's current initiatives, and its horizons of development in light of the present variables in the Arab markets themselves and, in particular, in the markets of the Gulf states. The results of the interview follow.

[Question] How do you assess the Korean economic situation during the current phase?

[Answer] We have achieved a relatively high rate of growth of 8.6 percent over the past 25 years. We expect that the GNP will grow at an annual rate of between 7 and 8 percent from 1986 through 1995. We aspire to become a member in the club of industrialized states by the mid-1990's. However, we are now facing several obstacles in our attempt to continue the advancement and development of our economy. The most important of these obstacles is the heavy burden that has been imposed upon us by the need to service our foreign debts. Nevertheless, we expect that we will be able to service our debts and achieve a high rate of growth during the next decade. We also expect the average per capita income in Korea to increase from \$2,000 in 1984 to \$5,000 in 1990.

At the present time, we are suffering from some difficulties resulting from growing protectionist measures in the developed states. Our exports decreased approximately 3 percent during the first 8 months of 1985 compared with the same period last year. Our main goal was to export \$35 billion in exports. This is naturally less than we had hoped for. In any case, a new round of negotiations on GATT is scheduled for the first half of 1986, and this may help ease protectionist restrictions by the industrialized states.

Korean-Arab Relations

[Question] What is your assessment of economic relations with the Arab states?

[Answer] Economic relations with the Arab states have been variable over the past 20 years, as has the nature of business. The Arab states' share of our exports increased from 3 percent in 1974 to 10 percent in 1984. Moreover, our volume of exports from the Arab world has grown from \$1 billion in 1974 to approximately \$4.7 billion in 1984.

The Korean companies working in the Arab states concentrated their efforts on the construction of housing units, medical centers, and the like. However, there is currently a shift from this type of building to the construction of factories and plants. Some 25 percent of the factories and plants built by the Korean companies are in the Arab countries.

Our foreign investments in the Arab countries have reached 10 percent of our total investments of \$540 million up to 1984. Our investments in the Arab world are expected to grow and Korean companies are expected to increase their activities in the field of exporting factories and plants to the Arab states in the future. We want to export additional Korean products such as consumer products and intermediate products to the Arab countries, and this is what we are working to achieve.

The fact is that there is a problem in our trade relations with the Arab states, represented by the deficit in our trade balance with them. This deficit was under \$800 million in 1974, and had increased to \$2 billion in 1984. Korea is suffering from a chronic deficit in its trade balance. Indeed,

our trade balance has never had a surplus in our modern history. As I said, we have a large burden in the servicing of our foreign debts, which have reached approximately \$46 billion according to figures of June 1985. This represents 25 percent of our total national income. We are, in fact, the fourth largest debtor state in the world. The total service of this debt represents 15.7 percent of all our exports, which is much less than the percentages prevailing in Brazil and Argentina, for example. We must save between \$6 and \$7 billion annually in order to repay the principal and interest on these debts. This represents some 8 percent of our GNP, which is a heavy burden for us.

Therefore, we want to increase our exports to the Arab countries, not in order to decrease our trade deficit with them, which is \$2 billion--a large sum for us--but rather to ease the general deficit in our trade balance.

The United States represents the largest market for our exports, accounting for 37 percent of all our exports. However, as you know, the United States is redoubling its protectionist measures.

There are now approximately 300 legislative bills related to protectionism that have been submitted to the American Senate. The most serious of these bills is one called the Jenkins Bill which, if passed, would restrict imports of textiles from the developing states. A second bill called the Import Surcharge Bill calls for the imposition of additional tariffs (approximately 25 percent) on imports into the United States from other states, in particular from Japan, Korea, Taiwan, and Brazil. These states are targeted with the aim of reducing the American trade deficit with them.

Passage of the Jenkins Bill would result in a reduction in our exports of textiles to the United States by approximately 35 percent, which represents over \$500 million. It should also lead to the loss of more than 100,000 jobs in the textiles industry. There are also other bills relating to shoes, steel, and automobile parts. All of these bills, if passed, would have a negative effect on the exportation of our products. This would certainly lead to an increase in our trade balance deficit, and as a consequence we would face some difficulties in servicing our foreign debts. For this reason, we must diversify the markets for our exports, because we need to obtain hard currencies to pay our debt service.

Repercussions of the Oil Crisis

[Question] A number of Korean companies have obtained huge construction contracts in the Arab states, but they have probably been affected by the prevailing economic situation in the region resulting from the decline in oil revenues. How is the Korean government dealing with this situation?

[Answer] The states of the Middle East are considered among the largest and most important markets for the Korean companies working in the field of construction, since 90 percent of the contracts of these companies had come from the Middle Eastern states. For that reason, this market is important and fateful with regard to the Korean construction companies.

However, several of the oil exporting states have reduced or postponed a number of their construction projects because of declining prices and exports of oil. We also have a number of completed projects which have not yet been paid for. We understand the situation. We hope that the situation will return to normal in the oil states in the near future. The government is setting aside some funds to help some states in the Middle East to get past some their financial difficulties. For example, the Korean EXIM Bank is extending the period of repayment from 7 to 10 years in a number of cases for some of the Middle Eastern states. In addition, the Korean commercial banks are providing financing with deferred payments as well as extending periods of repayment from 360 to 720 days. Naturally, these incentives are offered on a case-by-case basis since the necessary funds are not available for complete application.

Relations with Iraq and Libya

[Question] Korea has good trade relations with several of the Arab states, particularly Libya and Iraq. Recently, the Iraqi government has invited certain Korean companies to participate in some existing project in Iraq. Are there some new developments in this area?

[Answer] During last September, Iraqi Minister of Trade Hasan 'Ali visited Korea to discuss bilateral trade relations, including the projects you mentioned.

The possibility of purchasing additional quantities of Iraqi crude oil was discussed. The Iraqis will increase their production capacity by means of the new pipelines that pass through Saudi Arabia and Turkey. Talks are now in progress among the concerned parties represented by the oil exporting companies in Iraq and the oil importing companies in Korea. There will be additional meeting on this matter. The Iraqi and Korean ministers agreed to extend the repayment period for loans made to Iraq by the Korean commercial banks from 360 to 720 days. In addition, the Korean government approved the allocation of 80 percent of the necessary funds for several projects in Iraq through the Korean EXIM Bank.

As you know, the Korean Dang Ho Consortium won a contract in Libya with over \$3 billion. This involves the implementation of the first phase of the Great Man-made River project. This consortium is working hard to win the contract for implementation of the second phase of the project, which is now being offered by the Libyan government. This project will also be financed by the Korean EXIM Bank. I know that several high-level Libyan officials visited Korea last month to discuss the second phase of the project and matters are still under negotiation. The first installment of the project amounted to some \$800 million.

Arab Investment in Korea

[Question] What has the Korean government done thus far to encourage Arab investors to invest in Korea?

[Answer] Frankly, we do not have many Arab investors who come to Korea, and this is due to a lack of readily available information about the Korean market. Most Arab businessmen still prefer to invest much of their money in the United States. We constantly send our trade delegations to the Arab states with the aim of developing and expanding bilateral trade opportunities and improving business opportunities through investment in joint ventures in the Arab world. Korea intends to send more trade delegations to the Arab world in 1986 with the aim of attracting Arab investors to Korea. When you invest in Korea, you will be able to profit from a number of superior advantages such as a geographical site in the middle of East Asia. For example, when you have a plant in Korea, you can easily ship products to China, west of Korea, to Japan, east of Korea, and to the other Asian states to the south of Korea. Each of these states is slated to become a dynamic economic center during the next decade.

Moreover, the quality of the workforce in Korea is good, and manpower is distinguished by high efficiency and productivity. The government provides a number of incentives to foreign investors such as tax exemptions for a period of 5 years. This applies to any kind of investment in general.

The Arab states have good relations with the European states. The European states possess high technology and the Arab states possess capital, and thus European technology comes together with Arab capital. The same thing can occur with Korea, because Korea enjoys a competitive edge.

[Question] What measures has the Korean government taken to diversify its exports to the Arab states, as Japan, for example, has done in the past?

[Answer] We began to export our products to the Arab world in the beginning of the 1970's. At that time, most of our exports were concentrated in building materials such as cement, iron, and the like. However, matters have now begun to change, and there is a shift to the exportation of iron products, silk, consumer products, some household implements, electronics, ships, machines, and so forth.

Therefore, we are working to diversify with regard to our types of products. We believe that the Arab market is an important market for Korea. I know that most of the Arab states prefer to buy from Japan, the United States, and Europe. But we have a competitive advantage with respect to quality and price. We can ensure higher quality at lower prices. We now export small passenger cars to Canada, the United States, and some of the European states. The Korean cars are competitive with the other cars, in price among other things. The first shipment to the United States will be sent in early 1986. We are exporting 60,000 to 70,000 Pony cars to Canada. Huyundai Automotive Company owns a plant and an assembly unit in Canada, and a parts plant will also be built there. As for ships built in Korea, they are high in quality and lower in price compared to ships made in Japan. We also export rail locomotives and parts for them.

We want to expand our bilateral trade relations with the Arab states. There are many Koreans working in the Arab states. For example, Koreans do not

like mutton, but since many Koreans have lived in the Arab countries, demand for this meat has risen and we now import some mutton from the Arab states. Our imports are varied, beginning with oil and ending with other products. We import many raw materials from the Arab states.

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REGIONAL AFFAIRS

HEALTH MINISTERS DISCUSS DEVELOPMENT OF COOPERATION

London AL-SHARQ AL-AWSAT in Arabic 5 Jan 86 p 3

[Text] Today ministers of health of the Arab Gulf states begin the meetings of their 20th conference, which will last for 4 days in the Sultanate of Oman. Speaking in the opening ceremonies will be the minister of health in the Sultanate of Oman, the minister of health in the state of Qatar, and the president of the 10th session. Then the secretary general of the council of ministers of health of the Arab states in the Gulf will say a word, and after that the working sessions will begin, during which a president and a secretary will be elected, the drafting committee will be selected, and the agenda and daily work program will be decided upon. Then the report of the secretary general on the actions and accomplishments of the general secretariat during the 10th session will be discussed, and they will also go into discussing technical, administrative and organizational issues. Among the subjects that will be brought up in the agenda will be the coordination of efforts to combat malaria among the member states, combatting smoking, and chemical safety, medical examinations of workers arriving from abroad, combatting cholera in a region, care of mothers and infants, the sharing by medical services users of the treatment costs according to joint scheduled production, the first Gulf symposium on professional health, the first Gulf symposium on hospital administration, and the third Gulf symposium on health planning.

The ministers will also discuss the subject of collective buying of pharmaceuticals and of medical equipment, pharmaceutical production, the standardization of courses in medical institutes and nursing schools, and the establishment of an authoritative regional center for combatting disease. In addition, they will sanction the final statement for 1985, the general secretariat's draft budget for the current year 1986, and the financial obligations of the member states towards joint programs and projects. Also during the conference, the secretary general for the upcoming period will be named.

Al-Ashi's Words

AL-SHARQ AL-AWSAT met with Dr Jalal Ashi, the Saudi assistant deputy minister of health for preventative medicine and the secretary general of the council

of ministers of health of Arab Gulf states. He said that during the past 10 years many studies have been done, and also that great strides forward have been made in the field of cooperation and joint coordination.

Regarding combatting malaria in the Gulf region, we have agreed upon a unified strategy to combat this disease, according to which it will be done away with in some states within 5 years, though it might be as much as 10 years in other states, depending on the circumstances of the patients in those states. With regard to combatting smoking, Gulf states have taken precedence among Arab states in taking steps guaranteed to combat smoking, since they have taken effective steps to reduce the harm caused to humans by smoking, and they have formed committees for this purpose, and they have imposed conditions on imported tobacco so that the amount of nicotine and tar may be as low as possible.

He added that last year a symposium on professional health took place, and another on health planning, and one on hospital administration, and these symposia have resulted in constructive studies. With respect to professional health, it is known that several parties work with the minister of health, and there were some states that had not yet determined which party should be responsible for these professional health services, and the details were worked out by the competent authorities in the region, and parties and responsibilities were defined as well. With respect to the symposium on health planning, after the importance of the studies that were presented in this symposium on the development of health work in the Gulf was shown, we believed that it should continue on a regular basis, and it was agreed to hold it once a year.

Arriving Workers

With regard to the subject of professional health, the Gulf region receives workers from abroad, and many of those arrive from states where the standard of health is not at the desired level, and where it is somewhat low. Therefore we decided several years ago that a person arriving to work in our states should undergo a medical examination, on condition that the medical examination be done after his arrival to make sure that he was healthy. It applied in particular to those working in homes, and to those who had direct contact with the public as food handlers and workers in restaurants and hotels.

There is another subject which holds the interest of the council and the general secretariat, and that concerns the care of mothers and infants. In order for there to be sound, scientific planning with respect to this subject, we had to know the mortality rates, and we were faced with some difficulty because some states in the region did not have realistic rates. Therefore, we resorted to a study that will be conducted along with the rest of the states of the Gulf region in order to discover mortality rates. Prince Talal ibn 'Abd-al-'Aziz, head of the Arab Gulf program supporting United Nations development and human organizations, has expressed his willingness to help finance this study, and he has given us the green light without limitations to participate in conducting this study that will have a decisive effect on laying down a scientific plan for protecting infants and mothers.

Buying Pharmaceuticals

Dr al-Ashi spoke on the subject of collective buying of pharmaceuticals and medical equipment. We began to implement it 8 years ago; the costs of the first joint bidding, as we have shown, was about a million dollars, while the seventh bidding was up to \$35 million, and the eighth bidding, which was held last year, was about \$50 million, and that constitutes about 20 percent of our states' demands, not for all groups of medicines but for portions of them. We now import from companies that can be depended upon and that have good quality; in addition we have achieved prices that are quite low in some cases, often reduced by 30 percent or more of what we would have paid if each state had bought them on an individual basis. In addition, there is the matter of collective buying of medical equipment for individual use, and there the value of the previous bidding for this year reached about \$20 million, so there were about \$70 million going to the collective buying of medicines and medical equipment together, and we expect that that will increase year by year. This collective method has allowed large material savings, which has encouraged other states to use this collective method.

The general secretariat has also given attention to the manufacture of pharmaceuticals, and as a result of that pharmaceutical plants have been set up. One of them is in Kuwait, and it will begin production in 18 months, and another is in al-Qasim, and we expect that it will also begin production within 4 years. That is in addition to pharmaceutical plants in Iraq which manufacture antibiotics. All of them are integrated with one another, and there is complete coordination among these plants so that duplication will not occur.

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REGIONAL AFFAIRS

GCC'S ORGANIZATION FOR SPECIFICATIONS, MEASURES DESCRIBED

London AL-SHARQ AL-AWSAT in Arabic 28 Jan 86 p 4

[Text] Dr Khalid Yusuf al-Khalaf, director general of the Saudi Arabian Agency for Specifications and Measurements and secretary general of the agency for specifications in the Cooperation Council states, told AL-SHARQ AL-AWSAT that the bylaws of the agency for specifications and measurements of the Gulf Cooperation Council states had been settled upon. He said: These bylaws include the basic framework and also define the autonomous legal identity of the agency for specifications and measurements of the Council states, with Riyadh chosen as its headquarters.

Dr al-Khalaf pointed out that the bylaws define the powers of the board of directors and the powers of the secretary general, and they lay down the general framework of the agency's policy, its goals and the purpose behind its establishment.

He mentioned that deciding upon the bylaws of the agency came after studies and numerous meetings among the member states that had lasted some time, and especially after a study of the method and course to be followed concerning the way of preparing specifications and their authorization by the board of directors. He pointed out that 86 standardized Gulf specifications of measurement will be distributed among the 6 member states of the Cooperation Council, to each state according to its existing technological capabilities and its particular interests.

He said: During the session which was held in Muscat, the board of directors authorized the specifications of the two-way teletype, and others for the printer used for computers, and for the wordprocessor. Thus the total number of standardized specifications authorized so far is now 50 Gulf specifications.

In answer to a question on the certificate of conformity for cars imported into the Gulf states, he said: The ministers discussed this subject and it was agreed to authorize this certificate and have it certified by the agency for specifications and measurements for the Cooperation Council states in Riyadh. This certified certificate, required by the Gulf states, will be distributed so that each Gulf state can implement the specifications of cars and allow them to enter if they conform to the standardized specifications of

measurement. This procedure will continue to be followed until the end of June 1986, when the board of directors of the agency of specifications and measurements for the Cooperation Council states is scheduled to meet next.

He added: All states exporting cars to the Gulf states are now required to submit certificates of conformity for the cars that they will be sending to the Gulf states at least 3 months in advance of export, so that no car will be allowed to enter the Gulf states that is not accompanied by a certificate certified by the agency.

Dr al-Khalaf confirmed that the position of the agency of specifications and measurements in each state will remain independent of the general secretariat, and that the inspection offices in each state will themselves be responsible for applying, implementing, and following up on the implementation of the decisions of the board of directors.

Concerning the purpose behind establishing an independent agency for the Cooperation Council states, he said: Measurement is strongly tied to the various facets of development, and so states whose interests are tied to economic integration must be coordinated in the area of specifications and measurements, in view of the fact that they are a tool helping to achieve this goal, and so this is what is applied to the Cooperation Council states, whose interests are similar and whose destinies are linked together.

About the prize that will be awarded to the ideal factory in the area of quality and the steps to be followed in this respect, he said that the Saudi agency for specifications and measurements had drawn up a regulation, called the rule of the mark of quality and certificate of conformity, which will begin to be applied as of the end of Rabi' al-Thani 1406 AH. The purpose of this rule is to raise the standard of the quality of local products and to ensure that factories follow modern methods of quality control in the factory so that the standard of their products will not be inconsistent.

He said: The rule defines the steps and measures that a factory must follow in order to acquire the right to place a specific mark, called the mark of quality, on its products, since before granting the factory this mark, the Saudi agency for specifications and measurements will make preliminary visits to the factory, take samples of its products to the agency's laboratories, and make sure that the product conforms to Saudi measurement specifications. Then the factory is given the right to place this mark on its products. After that, the agency begins to follow up on its production with periodic surprise visits while it has the license to use this mark.

In order to promote national industry, the agency decided to award an annual prize to the best factory that uses modern means of quality control. This prize is called the "quality control cup," and it will be presented at the same time as the King Fahd prize for the ideal factory, the safety prize, and the maintenance prize.

Dr al-Khalaf said that it is a nonmaterial prize, but that it is very important because it constitutes a sort of promotion for the goods of the

winners, and it strengthens their advertising and moral position. It will also encourage factories and press them to follow quality control methods, to keep an eye on the products, and to equip the factory with the necessary means to ensure quality control of their production, and that will certainly be reflected directly on factories' concern with the quality of the products.

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REGIONAL AFFAIRS

SYMPOSIUM ON PETROCHEMICALS MAKES RECOMMENDATIONS

London AL-SHARQ AL-AWSAT in Arabic 28 Jan 86 p 4

[Text] The symposium on integrating the petrochemical industry in the Arab countries has sharply criticized the measures taken by the European Economic Community that entailed the continuation of customs duties imposed on Arab petrochemical products exported to the countries in this group, in particular those measures that were taken while talks were going on between the group and the general secretariat of the Cooperation Council of the Arab Gulf states.

That came in the closing statement issued by the symposium on integrating the petrochemical industry in the Arab countries that was held last week in Bahrain.

A responsible source in the general secretariat of the Cooperation Council of the Arab Gulf States said in a statement yesterday that those meeting in the symposium believe that these measures cannot be considered favorable to the Arab states, but rather constitute an obstacle to cooperation between the Arab states and states of the European Common Market.

The source added that the symposium confirmed the need to diversify "feeds" in order to create opportunities for producing other essential petrochemicals in sufficient quantities, such as aromatics, propylene and butadiene, for participation in future integrative plans. He pointed to the fact that the Arab petrochemical industry is still characterized by almost total dependence on natural gas as a feed.

The source mentioned that the symposium's closing statement described plans for developing petrochemical industries in the Arab world as being of a regional nature, and that the coordination between these plans needed to achieve sought-after integrative goals did not exist, except in some Arab and other projects in various stages of study and planning.

The source explained that the symposium called for work towards opening Arab markets to Arab products by way of removing all customs barriers and other things in order to facilitate commercial trade activity between them.

He confirmed that the symposium had called for the acceleration of setting up joint Arab projects that would serve integration in the area of petrochemical industries within the framework of Arab integration of petrochemical industries. It said that facilitations, exemptions, and needed discounts on the prices of primary materials for these projects should be offered, and it mentioned the need to facilitate the marketing of their products in the markets of the Arab states.

The source said that the symposium had confirmed that it would be necessary to finance import and export operations necessary for the exchange of petrochemical products between Arab countries in order to strengthen and develop Arab industry, and also that the credit needed for financing exports and exchanging goods between Arab states should be provided, and that the security needed for this credit should be provided, especially by the Arab Establishment for Investment Security.

The source indicated that the symposium's closing statement urged Arab states and Arab funds that offer foreign technical and financial aid to use a portion of this aid for exporting petrochemical products to those parties, and not to provide aid to projects competing with Arab projects.

The participants recommended that a similar symposium be held once every 2 years to take up subjects dealing with the development of the petrochemical industry in general, and its integration in particular.

The symposium also recommended that a working group be formed to follow up on the results of its actions. It would be made up of representatives from the four organizations that were in charge of arranging this symposium, along with the companies that are connected with the petrochemical industry. It would meet once a year, or whenever the need called for it.

The symposium on integrating the petrochemical industry in the Arab regions was held in Bahrain from the 20th to the 22nd of the current month of January, on the initiative of the Organization of Arab Petroleum Exporting Countries, the Arab Organization for Industrial Development, the general secretariat of the Cooperation Council of Arab Gulf States, and the Gulf Organization for Industrial Investments.

Participating in the symposium were 120 members from various Arab and non-Arab countries and 45 Arab industrial and investment establishments, in addition to the Union of Arab Chambers of Commerce and Industry, the Arab University, the Union of Arab Economists, and representatives from the European Common Market.

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LIBERAL PARTY CHAIRMAN DISCUSSES PARTY'S PROBLEMS

Doha AL-'URUBAH in Arabic 2 Jan 86 pp 20-21

[Interview with Mustafa Kamil Murad, chairman of the Socialist Liberal Party: "Mustafa Kamil Murad: We Stand to Left of al-Wafd Party and to Right of National Party"]

[Text] Cairo--In 1977, Anwar al-Sadat appointed him leader of the Egyptian opposition after awarding him the chairmanship of the Socialist Liberal Party. Two years later, he failed to enter the People's Assembly after continuous membership for 22 years. He lost abysmally in his election district in South Cairo to a Muslim Brotherhood candidate. But he did not despair and he again waged last year the parliamentary elections at the head of his party's list in the same district only to be surprised with getting less than 400 votes out of a total of more than 200,000 votes and to find his party at the bottom of the list of Egyptian parties without any representative in the People's Assembly.

He is Mustafa Kamil Murad, the chairman of the rightist Liberal Party, whose name has been tied to that of former Egyptian President Anwar al-Sadat. He is also the only Egyptian party chairman to visit Israel. He was recently relieved from his position as chairman of the Board of Directors of the Eastern Cotton Company which he had run for 20 uninterrupted years.

Even though Mustafa Kamil Murad is no longer of any importance in Egyptian political life now that the circulation of his party's paper has dropped to the lowest level among the Egyptian partisan and government papers and that party membership itself has dropped to such a degree that the party was unable in the latest parliamentary elections to enlist a sufficient number of candidates to wage the elections in all the districts and was content to wage them in nearly half of the districts because of the number of candidates available to it--despite all this, Mustafa Kamil Murad has taken the opportunity of the recent events which culminated with the U.S. aircraft's interception of an Egyptian airliner to try to rise in the political limelight again. He participated in the general statement issued by the opposition parties' chairmen and took part with these chairmen in meeting with President Husni Mubarak.

Because history is written through the reality, regardless of whether we agree or disagree with this reality, AL-'URUBAH went to confront Mustafa Kamil Murad, the Liberal Party chairman and al-Sadat's man, and to record with him a new document for history on Egypt's political reality.

Review of Relations

[Question] It may be appropriate to begin the dialogue with clarifying the Liberal Party's viewpoint of the recent events, especially since you have met with President Husni Mubarak as part of the delegation of party chairmen.

[Answer] The president did not discuss our demands and was content only with clarifying the picture. He assured us that the opposition has the right to express its opinion through any legal means it chooses.

As for us in the Liberal Party, we find it necessary to reexamine relations between Egypt and each of Israel and the United States. I believe that there is an obvious U.S.-Israeli scheme that contradicts the peace policy followed by Egypt. This scheme started with an Israeli cabinet coalition between the Likud and Labor Parties. This is an indication that Israel plans to embark on momentous events that require the solidarity of all the Israeli parties.

In the wake of this coalition, the strategic cooperation treaty was concluded between the United States and Israel and was followed by another agreement to establish a free trade zone between them to strengthen the Israeli economy now that Israel has been turned into one of the U.S. states--a state enjoying all the U.S. benefits without paying taxes to the federal government.

Israel then staged its barbaric raid against the PLO leadership in Tunis, with the planning and assistance of the U.S. 6th Fleet. There are other steps of this scheme that will be carried out in succession. I expect the next Israeli aggression to take place against Jordan.

Israel works to create a protective belt around it, as Sharon told me on my visit to Israel several years ago.

[Question] On the mention of this visit, what is the nature of your relationship with Israel, especially since we have information confirming that the Israeli embassy in Cairo invites you to the diplomatic parties it gives?

[Answer] All that has happened is that I visited Israel with President al-Sadat. When I attended the International Liberal Conference in Stockholm in 1983, we had a dialogue with the Israeli Liberal Party, which also attended the conference. Last year, we rejected the invitation Israel sent us to attend the International Liberal Conference in protest of its convocation in Tel Aviv, having become certain that Israel is not serious in seeking peace.

As for the Israeli ambassador in Cairo, he visited me once immediately after the opening of the embassy. We have not met at all since then and I have not attended any parties at the Israeli embassy. I am now convinced that Israel does not want peace, and neither does the United States, by evidence of the fact that Reagan himself commanded the operation of intercepting the Egyptian airliner while on board one of the aircraft. This is why I have urged the need for reexamination of the Egyptian relations with each of Israel and the United States.

The Wafd Robbed Us

[Question] Do you believe that the Liberal Party represents a political current in the Egyptian street and what are the features of this current?

[Answer] I believe that we represent a strong public opinion in Egypt and that the emergence of this opinion on the surface requires time. We represent the free liberal opinion and the Egyptian people love the freedom of investment and commerce, a balanced relationship between the landlord and the tenant, and so forth.

[Question] But the Wafd Party also represents these principles?

[Answer] Because the Wafd has stolen most of its programs from the Liberal Party. They have also lured many persons from our party to join them. Generally, we consider al-Wafd Party to be positioned to our right and the ruling National Party a little to our left. There is a degree of agreement in viewpoints between us and the National Party. But we are very far from the Labor and Grouping Parties.

Disagreement on Positions

[Question] The Liberal Party you head has experienced several crises recently, the most significant being the disagreement between you and a number of the party leaders who issued a communique against you and signed under the name of the Liberal Front. Some of them have resorted to the administrative judiciary to block some of your decisions.

[Answer] These leaders' disagreement with the party was a disagreement over positions. We referred them to the Violations Committee which has decided to dismiss them from the party. We will present this decision to the party's Political Bureau.

[Question] How about the problem of the drop in the circulation of your paper to an unprecedented level?

[Answer] We were the first to issue an opposition newspaper. AL-AHALI, AL-SHA'B, AL-WAFD, and AL-UMMAH followed in succession. When we were the only party issuing a paper, it was normal for the circulation to rise to high figures. With the publication of the other partisan opposition newspapers, the readership was divided among them and this has led to a drop in the circulation rate.

[Question] But some assert that the reason for the drop in the paper's circulation is its surprising attack on the late President 'Abd-al-Nasir and the Nasirists, which is an abnormal attack from the paper of a party headed by one of the participants in the 23 July revolution.

[Answer] I loved President Jamal 'Abd-al-Nasir very much. He was a great leader the likes of whom Egypt has not seen yet. But this does not deny that he had his faults, and only God is infallible. Those who have viewpoints

opposing 'Abd-al-Nasir's policies are entitled to publish and explain these viewpoints. This is what we do in AL-AHRAR.

[Question] What about the problem of the unavailability of offices for the party? Is it true that the party used the offices of the Eastern Cotton Company, which you headed, as its offices, including the apartment in which we are sitting now and which is allocated for you as a party chairman, and the apartment allocated for Al-AHRAR which is in the same building?

[Answer] We did not take any offices from the company. We acquired all our party's offices in accordance with the 1977 decision of the general secretary of the Socialist Union's Central Committee. They belonged to the Socialist Union at the time. This is what happened with all the parties. As for the apartment in which we are sitting and for the other apartment allocated for AL-AHRAR, we acquired them in accordance with a decree by an ex-prime minister.

They Have Relieved Me Because I Am Opponent

[Question] By the way, do you think that the decision to relieve you from the chairmanship of the Eastern Cotton Company's Board of Directors has its political reasons and what are these reasons?

[Answer] Of course it has its political reasons. Don't forget that I am the chairman of an opposition party and that I have opposed the policies of the minister of economy who has found no other recourse but to relieve me from the company chairmanship in revenge. Generally, I had not planned to continue to head the company and had previously tendered my resignation from the chairmanship of the Cottons Establishment when the public establishments were abolished because I believed that those establishments played an important role in the economic policy. President al-Sadat was the one who asked me to continue my chairmanship of the Eastern Cotton Company because I had begun implementing a number of projects and he wanted me to continue their implementation.

[Question] With regard to the Maritime Transport Company, it is said that you exploited your position to form several companies that belong to you.

[Answer] This is untrue. All the companies I founded during my chairmanship of the Eastern Cotton Company are subject to the investment law and their monies are considered public monies because most of their shareholders are public-sector companies.

Coalition Lessons

[Question] Will the Liberal Party wage the next elections, be they People's Assembly, Consultative Council, or local elections, under the canopy of the present election law?

[Answer] If the elections are to be held in accordance with the list system, regardless of whether an absolute or relative list, then we will not wage them because they will be a farce and their outcome is known in advance, namely a majority win for the ruling party. The election law must be amended to restore

the individual district system in order that we may wage the elections. But under the current law, no.

[Question] The Liberal Party is considered the party closest to the ruling authority. You had the experience of a coalition with the National Party when it was founded. What did you learn from that experience and can it be repeated?

[Answer] A coalition was actually formed between us and the ruling party when the latter was founded, especially when al-Sadat selected Fikri Makram 'Ubayd, our party's deputy chairman, to be the general secretary of the new National Party. But we terminated the coalition because some of the National Party's leadership elements did not understand its meaning and because the coalition did not understand its meaning and because the coalition did not serve its objective.

Majority, to Whom?

[Question] Each of the political forces and parties in Egypt declares that it has the majority in the political street. In your opinion, which of them does actually have the majority?

[Answer] No one has the majority in the political street, especially since there are numerous groups, such as the Islamic groups, the Nasirists, and the communists, who have not yet formed their parties. Moreover, the material resources of all the parties, excluding al-Wafd, are limited. We are not at all permitted to use the radio or television to address the masses. This is evident in the voters' records, considering that the number of voters registered in them does not exceed 12 million whereas the actual number of people to whom the voting requirements apply is 27 million voters. This dictates the immediate reexamination of these records, if we want to open the door of political participation to all of the people's factions.

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WAFD PARTY LEADERS CALL FOR NEW CONSTITUTION

Cairo AL-WAFD in Arabic 2 Jan 86 p 5

[Article by Ahmad Ibrahim al-Ba'thi: "Al-Wafd Deputies Debate President's Statement; Promulgation of New Constitution Must Be for Correcting Democracy's Course"]

[Text] During their debate on the president's statement, Wafd Parliamentary Committee members demanded immediate steps to change the constitution and to issue a new constitution that meets the people's demands and reflects the masses' pulse and thoughts as a sincere translation of the call for the greater awakening and for liberating the Egyptian people from the chains of negativism and the shackles of indifference that rule them.

Al-Wafd deputies agreed unanimously on the need to eliminate all kinds of obstacles impeding democratic action, beginning with the method of electing the president of the republic--a method which now makes this position a monopoly and a privilege belonging to one party--and ending with the manner in which the local and people's councils are formed.

Counselor Mumtaz Nassar, leader of the Wafd opposition, said that the president stressed that the democratic process is what leads and guides us. It is our evaluation that the democratic climate in Egypt cannot be complete unless the means leading to this democracy are established. The first of these means is to amend the constitution in order to achieve a balance between the authorities because the existing constitution was promulgated in 1971 under a completely totalitarian system and lacks balance between the authorities. The executive authority, headed by the president of the republic, has all the power at the expense of the two other authorities. The executive authority overwhelms the legislative authority. This is embodied in Article 115 of the existing constitution. This article requires government approval for any People's Assembly decision to amend any of the budget's sections. This is surprising because parliamentary assemblies were created fundamentally to draw up budget bills. How can their power be tied by approval from the executive authority?

Balance is also missing insofar as the judiciary authority is concerned. The executive authority is the one that determines the judiciary authority's budget. I recall in this regard that when I was in the Appellate Court, the deputy chairman of the Japanese Appellate Court came for a visit and asked me

if the judiciary is independent. I told him that there is a law concerning the judiciary's independence. But he proceeded to ask Who determines the judiciary's budget? I said that the executive authority does. His response was that the judiciary cannot be independent as long as their budget is in the executive authority's hand. Another example showing that the existing constitution impedes the democratic process concerns the president's election. The text clearly calls for appointment, not for a direct election which permits any citizen to be a candidate. The same applies to the position of vice president. Article 74 of the constitution permits the president to take emergency measures in case of internal unrest. This article was misused in the worst manner under the administration of late President Anwar al-Sadat to arrest 1,539 of his opponents in September 1981. There are other articles which impede the democratic process in our country.

The second means is to end the state of emergency because the emergency law threatens the democratic rights of the citizens to express opinions, meet, and travel. It also threatens the guarantees of freedom stipulated in the criminal procedures law to protect the citizens and their liberties. The third means lies in abolishing the many ill-reputed laws, such as Law No 33 of 1978 on political isolation because it is unimaginable to deny a citizen his public rights in a fully democratic climate. This means also lies in abolishing the Ethics Law, No 95 of 1980, because it creates a duality in the powers of investigation, Law No 105 concerning state security, the suspicion law, and other ill-reputed laws. The fourth means lies in austerity. This requires that the state, embodied in the president of the republic and the government, observe austerity, abolish the manifestations of pomp and extravagance, and reduce spending by 25 percent at least. The state will thus give the citizens an example. If this is achieved, I believe that the debts will be on the way to elimination and every Egyptian citizen will then know stability and tranquillity, thus increasing his production and his savings. Trust between the ruler and the ruled will also be established and tourism revenues will grow. All this will allow democracy to flourish in our country. But clinging to slogans does not create any sound democratic climate.

Where Is Opposition?

Deputy Yasan Siraj-al-Din said that the statement of the committee studying the president's speech has not underlined the opposition's role as it should, even though the president pointed out that opposition is one of the two wings of democracy and that there can be no democracy without opposition. Here we ask the National Party government: What has it offered the people?

We only find temporary palliatives for the masses' problems which include an insane rise in prices, supply bottlenecks, and deterioration in the conditions of the public utilities, including water, electricity, and sewerage. I agree with the president that the cure to these problems lies in exerting efforts to eliminate the obstacles that impede releasing the capabilities, establishing a fair system of reward and punishment, preventing the concentration of power in the hands of one person, and eliminating red tape. On this basis, we are not against the public sector but against the public sector's losses. This leads us to the question concerning the outcome of the investigation of the crimes

of corruption and deviation in this essential sector and the question concerning the repayment of debts. I propose the issuance of bonds on attractive terms and under the name of "sovereignty bonds" because they will achieve Egypt's economic sovereignty. Let our people contribute to covering these bonds, as happened in the past. Egypt will thus become indebted to its citizens instead of being indebted to the foreigner. Insofar as political action is concerned, I demand the replacement of the entire constitution and the promulgation of a new constitution that reflects the masses' pulse and demands, which are well known to all, instead of resorting to the acts of patching up the constitution's robe. Herein begins the true democratic path and comes the true awakening.

Regarding foreign policy, especially Arab and African relations, these relations must be bolstered because during my visit to the United Nations as a member of the Egyptian official delegation I felt the African readiness to support Egypt and the Arab causes in a manner that promises good results. More than 45 countries supported us on more than 1 issue. President Mubarak's policy has worked toward achieving this objective. The number of African countries supporting us has actually increased and this has made Israel embark recently on extraordinary activity to establish a balance between itself and Egypt in the field of these relations. As for the Arab policy, I demand that the government intensify its efforts, without any sensitivity, to eliminate the disagreements existing between it and some Arab countries, thus exploiting Yasir 'Arafat's visit to Cairo and the issuance of the well-known Cairo declaration and relying also on the warm relations with Jordan, which is a big step toward reuniting the Arab ranks. As for foreign policy, I advise strengthening the understanding with the Soviet Union, especially in the wake of the rash U.S. actions that have taught us not to trust the Americans.

As for the Egyptian information policy, it must be reexamined in part and parcel, especially in terms of the blackout on the serious events concerning and affecting Egypt, the latest such event being the hijacking the Egyptian airliner. In this event, the blackout reached dimensions that evoke not only wrath but also ridicule and that demonstrate an unmatched lack of information. It is as if we live on another planet where we hear news about our country from the world's broadcasting stations before such news is broadcast by our radios. This is in addition to the unequal, not to mention nonexistent, chances which the national information media give all the opposition currents, even in the simplest symposiums in which non-political personalities participate. It is as if these media have been created to work only for the benefit of the National Party. Moreover, serious deficiencies have been discovered in the financial and fiscal structure of these media, lead by the Radio and Television Union. These are negative features that require bringing those responsible to account. I have already submitted my query to the cabinet.

Press Hamlets

Deputy Ahmad Hassan said: I disagree with some of the conclusions reached by the president's speech. A general climate for work and production must be created and this can be achieved only by utilizing all the production elements and by having the workers share in the responsibility through a return to the system of production councils which proved their usefulness and whose objective

is different from that of the companies' boards of directors. The control and inspection agencies, which are the only agencies capable of stopping the regular plundering of the public-sector companies' budgets and of preventing the fabricated losses, must be given a strong boost. We must point out here what is happening in the press establishments which have been turned into hamlets owned by certain individuals whose unreasonable actions nobody can confront, especially actions pertaining to the disparity of wages. Egypt's workers demand that their bitter reality be made compatible with the raised slogans and that the labor leaderships abide by the word and spirit of President Mubarak's instructions so that he may not be in one valley and these leaderships in another.

Fahmi Nashid, a Consultative Council member, said that when President Mubarak emphasized that democracy is a living necessity, he called for observing the basic human rights, of which the most important are the right of participation in the decision making, the right of expression, the right of election and nomination and the right to form parties and of partisan pluralism. Consequently, he called for absolute abidance by a democracy founded on the people's sovereignty and a multiplicity of parties, on the judiciary's independence, on the sovereignty of the law, and on human rights. To achieve all these, the obstacles facing democratic action and the free expression of opinion--obstacles embodied in the law for the protection of the domestic front, the law of shame, the emergency law, the law on election to the People's Assembly in accordance with the relative list, and all the freedom-restricting laws--must be completely eliminated.

Rescuing Public Sector

Deputy 'Abd-al-Mun'im Faraj said that it is customary for the president's statement to outline the state's general policy and to entrust the cabinet to take the measures to implement this policy. One of the issues covered by the president's speech is the issue of the public sector's situation and of the numerous obstacles that cause the enormous losses incurred by this sector and that prevent it from performing its fundamental role in financing the economic and social development plan. I must stress that Egypt's public sector is the hope for solving all of Egypt's problems by virtue of the fact that this sector is tied to all aspects of life and that it penetrates all its activities. On this basis, the public sector must support the state and not be a burden on it. Therefore, this sector must rely on itself to secure all its production requirements. Consequently, this sector must develop and embrace the latest technological methods. On the other hand, the public-sector companies must be treated in the same way as the joint-stock companies in terms of management. Ownership belongs to the state, but let us give these companies' boards of directors a free hand to manage their affairs in a manner that enhances the companies' services and goods. This can be achieved only by correcting the public-sector companies' financial structures and freeing them of all the shackles that hamper their movements and by curtailing the control agencies' activities, by allowing the companies to embrace the policies they see fit, and by being content to bring the companies to account for the objectives and the results.

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PAPER DOCUMENTS CORRUPTION IN GOVERNMENT

Cairo AL-SHA'B in Arabic 24 Dec 85 pp 5, 9

[Article by Muhammad Hilmi Murad: "Perverted, Corrupt, and Evil Centers of Power"]

[Text] Some well-placed politicians and well-to-do personalities enjoy considerable influence and great power which enables them to enforce their will and exert pressure to achieve their ends. They are known as economic and political centers of power.

However, rampant perversion in the country and widespread corruption, mismanagement, and racketeering have created new centers of power that throw their weight around to realize their ambitions and employ their disgraceful and perverted ways to take revenge against all those who impede their way.

How else can we explain these people's survival in their positions despite all the slogans and principles of purity, honesty, democracy, and the great awakening? How can these people's ability to manipulate matters at will and steer events to buttress their influence and dominion be justified?

Let us review together some examples which have created confusion and anxiety among the population, which has lost confidence in all hopes of steering the march in the right direction.

Musa Sabri Proposes Laws That Restrict Freedom of the Press and Rights of Journalists

Mr Musa Sabri, the full-time writer for AKHBAR AL-YAWM, after reaching the official retirement age under the Power of the Press Law, is not satisfied with keeping his moral and material privileges which he enjoyed as board chairman and editor-in-chief of AKHBAR AL-YAWM, including offices, phones, secretaries, personal protection, a car and a radio phone, foreign travel, writing in the same space reserved for the editor-in-chief, and meddling in administrative affairs in his capacity as a consultant, something which has been banned in government and the public sector after the age of 60. He stands before the president of the republic to demand the enactment of legislation for summary judgments against journalists and for a new system of regulations for the so-called national press employees who work as chief editors in party newspapers!

"Journalist" Musa Sabri stood in the National Party's political club, as one of its members, to reply to what President Husni Mubarak, party president, said-- that there was no room for complaint about press criticism and the demand for restricting freedom of the press but that the press must indeed be given full freedom and the party must counteract false news. This is besides the fact that the law and the courts have the ability to put a stop to such transgressions. So what did he say? He said, and how eloquently he has spoken, that turning to the courts in slander cases is impractical and can be a long-drawn process. He demanded the designation of special courts for the press for slander cases and a special prosecutor whereby such cases can be settled within 1 week.

Musa Sabri is thus instigating the chief of state, who declared his adherence to freedom of the press and the sovereignty of the law, to reinstate the special press prosecutor established in King Faruq's time when the press stepped up criticism against him and his entourage and to set up extraordinary courts for the press to deter journalists summarily within 7 days, even in the absence of all the facts and evidence. Hence, his sincere advice to the chief of state was to urge him to bury alive the freedom of the press and make an example of journalists, as he has urged the late President al-Sadat to enter into a battle with Islamic groups in the name of alleged sectarian strife!

The truth is that his only aim is to take personal revenge against his assailants, hence his attempts to involve the whole regime in the reprehensible crime of suppressing the press so that no voice may rise above his!

Indeed, his indomitable desire for revenge against his opponents has led him to demand that journalists working in the so-called national press be barred from party newspapers to prevent them from collecting two salaries and to force them to choose between national or party status.

Mr Musa Sabri forgot that he was speaking in his capacity as a member of the National Democratic Party while working and receiving his pay from a "national" press establishment. Hence, according to his logic, he must resign his position from AKHBAR AL-YAWM and move to MAYU, his party's organ.

Most, if not all, of the journalists working as chief editors in party newspapers used to be employed by AKHBAR AL-YAWM, but did not have the right to publish the articles they wrote for this establishment! Now that they have found a way to express themselves, are they going to be deprived of this right? It is nothing but a desire to bring about the downfall of Mustafa Shardi, editor-in-chief of AL-WAFD newspaper, who launched a vehement attack against him in retaliation for his constant attacks against Shardi, his party, and the leader of the party; to harm Mahmud 'Awad, recently appointed as editor-in-chief of AL-AHRAR newspaper, against whom he has the audacity to bring legal action demanding what he considered his violated rights; and to settle accounts with Husayn 'Abd-al-Raziq, editor-in-chief of AL-AHALI.

And whereas President Mubarak, in an effort to avoid a dispute over these intrinsically undemocratic demands, decided to refer them to the Higher Press Council and the Journalists' Union for examination, according to a front-page

report in AL-AHRAM on 19 December 1985, we wonder about the legality of submitting such a verbal proposal made in a party meeting to higher councils and competent professional unions for study, especially since this action was not motivated by public interest but rather by personal vengeance and a desire to discredit and malign professional colleagues to satisfy a thirst for revenge. Add to that the bad impression this gives about the regime's direction with regard to freedom of the press and the preservation of the rights of journalists. This leads us to another question: Has Musa Sabri, who has been rejected by the people, who opposes democracy, and who is always instigating rulers to follow unpopular policies, become a center of power?

No Action Against Edfina Company Executive Responsible for Loss of Millions

The Edfina Canned Goods Company budget will be debated on the 26th of this month. It is the only budget to be prepared under the full responsibility of agricultural engineer 'Adil 'Izz-al-'Arab al-Samahi, who became board chairman after being appointed its commissioner when he was chief of the company's manufacturing division in Alexandria, although he had been indicted by a fact-finding committee and the government funds prosecutor for company losses in 1980-81.

In this budget, for which he is responsible, the 1984-85 budget, the company's losses totaled about 2,047,000 Egyptian pounds despite an allocated subsidy of 4.5 million pounds, thus bringing the real loss up to 6,547,000 pounds.

The chief of the food industries sector tried to justify these losses by attributing them to an increase in agricultural raw material prices and a higher rate for the dollar, not a convincing reason since this applies as well to the Qaha Company which operates in the same field and which showed profits for this year.

Rather, these losses are actually due to mismanagement as manifested in the following press accounts and available documents:

1. Ninety percent of company purchases are done directly without bids or competition, as stipulated by fiscal bylaws.
2. Improper practices for obtaining raw materials such as the Mango Purchasing Commission's contract agreement with the source, namely farm owners, whereby 12 tons were supplied in August 1985 at a price of 850 pounds a ton but which was soon dropped for imposing a 9-11 percent discount, thus prompting those farmers to deal through a middleman who was one of the company suppliers and who supplied the company for the rest of the season at 895 pounds per ton with a 3-4 percent discount rate.
3. Squandering of public money by destroying a huge number of company products, beginning with 20 tons of processed sardines, valued at 12,000 pounds in addition to salaries, incentives, overtime, and equipment wear and tear. Four tons of spoiled fava beans were also destroyed due to soaking in a preparation for processing without ensuring an adequate number of containers for canning. In reply to a press campaign against this kind of waste, it was claimed that the beans

were sent to the company's scrap unit to be processed as fodder, even though this unit went out of operation over 2 years ago. Moreover, the company produced mango juice in August 1985, but the entire supply was spoiled when the cans exploded and 250,000 pounds worth of juice were destroyed!

4. A kind of Japanese-manufactured sheet metal was imported under a contract agreement concluded by the head of the technical section who was dispatched by the company president to purchase it. Such a procedure was used for the first time, contrary to the customary practice of forming a joint committee from the Qaha and Edfina Companies to contract for the sheet metal which was found to cause spoilage when used for canning.

5. Unnecessary waste and squandering of company money such as the use of a Mercedes and a Fiat-131 car for the board chairman with public-sector symbols and license plate. There were the 9,709 pounds spent on the first car for repairs and imported furnishings and 300 pounds were allocated for each driver as a running account for emergency repairs. Representational expenses were run up to 108,000 pounds, including the purchase of hotel accommodations for the industry ministry and other senior officials at luxury hotels in Alexandria as company agents and the expenditure of 60,000 pounds worth of free samples or gifts, in addition to the manufacture of not-for-sale products to be presented as gifts to these officials such as frozen shrimp, which was stopped in the mid-seventies.

6. Indulgence of company agents at company expense. For example, the company exported 22,000 cartons of juice in February 1984 to its representative in Saudi Arabia at a price of \$10 a carton or an overall value of about \$250,000. This quantity was later recalled from Saudi Arabia in November 1985 shortly before the expiration date, to be replaced with a new batch. The company bore the expenses of export and recall to please the representative without considering the public interest and notwithstanding that this representative had dropped the agency prior to this generous offer.

7. Finally, the Edfina Canned Goods Company took part in a joint-venture investment company made up, on the foreign side, of a Dutch company, a Luxembourg company, and a Saudi financier who held 49 percent of the capital which amounted to 4.655 million pounds, and, on the Egyptian side, in addition to Edfina, the Qaha Canned Goods Company, and some Egyptians, made up of Mr. Ahmad 'Abd-al-Rahim 'Abd-al-Jawad, former president of Edfina for 16 years who retired before the age of 60 to devote full time to this project after bringing Edfina into it with 20 percent of the capital (931,000 pounds), thus becoming board chairman of the joint-venture company called "the Canal Fish Processing Company" which operates in the same field as Edfina and is a competitor.

The amount Edfina invested in the said company came from a bank overdraft at 12 percent interest rather than from a budget surplus, as originally planned, because the company runs a constant operating deficit and, in the last 4 years, has paid half a million pounds in overdraft interest!

Edfina president Engineer 'Ail al-Samaha replaced the company's former president as board member of the Canal Fish Processing Company by virtue of his

position while the present president of Qaha did not make it to the board by virtue of his position following the transfer of Mr 'Abd-al-Hamid Sa'id from his position as president of Qaha Company to that of president of the food industries and he has retained his position as board member of the canal company. Meanwhile, Mr Ahmad 'Abd-al-Rahim 'Abd-al-Jawad was appointed as a Qaha Company consultant.

It is alleged that Engineer 'Adil al-Samaha hinders Edfina's production of fish in favor of the Canal Fish Processing Company and that Mr 'Abd-al-Hamid Sa'id, president of the food industries, covers up his mismanagement at Edfina. Edfina employees wonder how, since President Husni Mubarak announced in his speech at the opening of the People's Assembly session the need to replace the leaders of losing public-sector companies, the chairman of their company's board, who is responsible for a 6.5 million pound loss, can be rewarded with a trip to Brazil to represent Egypt at the conference for developing agricultural industrialization in developing countries, as reported in AL-MUSAWWAR on 13 December 1985? Is he above reproof because he represents a center of power by virtue of his position as assistant secretary of the NDP in Alexandria?

Egyptair President Retains Position; Accounting Office Controller's Employment Extended

Let us return once again to subjects of previous articles to remind the reader of the state of affairs in the office of management and planning in the Egyptair Corporation. This is disturbing to any Egyptian who cares about his country's interest and good use of public money and about the state of higher management in this important national corporation as uncovered by the recent hijacking which we will handle delicately because of national considerations.

We would like, however, to add, to what we have already mentioned, accounts about the chiefs of the labor sections in Egyptair which have a bearing on work performance. We have learned that the planning section chief was picked for this position even though he did not get an excellent rating in previous performance appraisal reports, thus passing over more senior and more qualified employees with higher performance ratings through performance report falsification which amounts to tampering, as charged by the court action filed in the Council of State's Administrate Court challenging his appointment by the corporation's economic advisor on grounds of nepotism since he is related by marriage to a former People's Assembly member. We have also learned that the chief of operations, pilot Mahmud Kamil, has been linked with several administrative and criminal violations in the investigations conducted by the General Administration of Airplane Accident Investigations in the Ministry of Aviation, but no legal action has been taken against him. Rather, the minister of civil aviation has covered up for him at the request of the company president, Engineer Rayyan, as we reported in a previous article, thus causing other violations of civil aviation bylaws from the standpoint of sending him to train pilots abroad without being qualified to do so and going on a flight--against air safety regulations--as part of the piloting staff on the airbus to London on 3 December 1985 and returning as pilot of the same aircraft, on which the wife of a high official was a passenger, thus exceeding the allowable number of flight hours and endangering the aircraft and its passengers. The competent

administration in the Ministry of Aviation warned against such practices and demanded his removal of chief of operations because of his air safety violations.

As for the commercial section chief, he meddles in matters outside his jurisdiction, as we have reported, and covers up company misappropriations. Part of the laxity at Athens Airport is attributed to preferential treatment of Greek Egyptair employees there since his wife is Greek. The office director is Greek and so are the Egyptair aircraft security guards at Athens Airport. A case in point is what a passenger said in his letter to the editor of 5 December 1985 about these employees' carelessness in performing their security responsibilities in checking hand luggage before boarding. One of the strange gossip-provoking things is how this corporation, which has been beset with so many financial improprieties and questions about its higher management's responsibility for aircraft operation plans and existing flaws in its management, thus raising doubt and suspicion about its compliance with all safety regulations against hijacking and terrorism, can allow its president, Engineer Muhammad Fahim Rayyan, to intervene on behalf of accountant 'Abd-al-'Aziz Hasan Huraydi, director of the Aviation Audit Department of the Central Audit Agency. Haraydi, who reached retirement age last month, had his employment as Egyptair controller extended, notwithstanding the prime minister's announcement of not extending employment beyond the age of 60 and cabinet assurances in this regard, with certain exceptions related to hard-to-find skills which do not apply in this case since there is no shortage of qualified accountants in the Audit Agency and Egyptair has two other accountants with the rank of director general and a third one as auditor!

This endeavor by Egyptair's higher management is unacceptable and inconceivable in view of widespread talk about the period that accountant Huraydi spent in auditing Egyptair accounts, which amounts to 8 years, during which he traveled to Europe to audit Egyptair's offices there and to Jiddah with his family during the pilgrimage season. This has not prevented fiscal fraud in some offices in addition to the fact that it is not a customary practice to travel to offices whose accounts are audited abroad in this manner. It appears, however, that staying at the company's headquarters for such a long time tends to create a desire to please higher management which in turn becomes intent on keeping him employed past the retirement age. This is what prompts us to ask Dr 'Atif Sidqi, chief of the Central Audit Agency, not to allow agency auditors to stay at the offices they audit and not to keep them in one position for more than a specified period of time.

We will cite in future articles other examples of the power of corruption and perversion and will present the truth about the media cover-up campaign Egyptair has orchestrated to hide its management flaws and the facts about the Boeing-767 deal which some have dubbed as the '67 debadie.

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EMIGRATION MINISTER DISCUSSES EXPATRIATE WORKERS' ISSUES

London AL-HAWADITH in Arabic 20 Dec 85 pp 56-57

[Interview with William Najib Sayfayn, minister of state for Emigration and Egyptians abroad, by 'Abd-al-Rahman 'Aql: "Minister of Emigration: There Is No Fear of Workers' Return"]

[Text] The issue of Egyptians working abroad is still the center of the Egyptian economic administration's interest because human resources are one of the most important economic resources. The economic administration takes the Egyptians working abroad into its consideration because they bring foreign currency with them. But by putting this issue under the magnifying glass, it becomes evident that numerous obstacles face the remittances of Egyptians working abroad and that part of their income goes to the black foreign currency exchange market.

On the other hand, the possibilities of renewed economic stagnation in the oil countries give the issue of those working abroad another dimension. Despite this, Engineer William Najib Sayfayn, the minister of emigration and of Egyptians abroad, clings to optimistic indicators, asserting that the policies and steps adopted by Prime Minister Dr 'Ali Lutfi's cabinet will increase the monies remitted by Egyptians abroad. The minister is preparing for a tour of four Arab countries as of the beginning of this month to meet with the Egyptian workers abroad.

AL-HAWADITH interviewed the minister of emigration on the issues of Egyptians working abroad, beginning with the following question:

[Question] What are the facilities offered by the Ministry of Emigration and of Egyptians Abroad, especially since the new cabinet has declared that it does not raise slogans but follows an unconventional method, meaning that there are new policies to attract the savings of Egyptians abroad?

[Answer] The letter of designation addressed to this cabinet has saddled it with numerous responsibilities and the cabinet has translated the later into its special method of action. Then came the president's speech inaugurating the People's Assembly and the Consultative Council under the title of the "great awakening"--a speech with a message addressed to the citizens working abroad in their capacity as partners in the march and in destiny. This

appeal reminds them of what Egypt has done for them and, consequently, the mother appeals to her children to stay with her because only the arms of the Egyptians at home and abroad will build Egypt.

The Ministry of Emigration has formulated its plan which proceeds on the basis of and emanates from the pulse of the Egyptian street. This is why the priority of action has been given to constant contact throughout the 365 days of the year between the Ministry of Emigration and of Egyptians abroad with all the means of communication. We have set up two offices, one for receiving and answering the complaints of Egyptians abroad and the other to follow up on their suggestions. Moreover, we have taken other steps to bolster the confidence between the government and the Egyptians abroad. Prime Minister 'Ali Lutfi announced and I have announced after him the free circulation of money, whether in the form of deposits, investment projects, or re-transfers to the outside world. We have also opened a new channel by issuing the executive bylaws for the Federation of Egyptians Abroad. The branch federations are being now formed and then a permanent executive council will be formed for the Federation of Egyptians Abroad.

[Question] Has the new climate brought about in the past 2 months any progress in the investment of monies by those working abroad--progress with which it can be said that there has been a response to this climate?

[Answer] During this period, the Egyptians have shown a tangible interest in investment projects, some with a quick yield and some with long-range returns. For example, we had previously announced a project for the reclamation of lands for expatriates in an area of 6,000 feddans in al-Husayniyah plain, al-Sharqiyah Governorate, and in 6,000 more feddans in al-Buhayrah Governorate. The sums paid in the past 2 months amount to 90 percent the sums paid since announcement of the two projects more than 6 months ago (the price per feddan ranges from 800 pounds to 1,000 pounds).

The Egyptians have also shown interest in the housing and housing complexes activity. For example, the Egyptian workers in France applied for we have given them 60 feddans in the 6 October City to build 1,000 housing units, with the workers paying 40 pounds per square meter of the net construction area. The state is committed to supplying the construction materials. The Egyptians in Canada then applied for the allocation of an area of land for them to build 1,000 units and the application has been approved. They have also applied for the allocation of 3,000 feddans in al-Husayniyah plain on which to set up a food security project. The application is under study by the Ministry of Reconstruction. However, the approval in principle is there. Our sons in Qatar and Kuwait who have formed an association called the Sinai Agricultural Association have also applied for 5,000 feddans to set up a project in which solar energy is used in agriculture.

[Question] But the free circulation of money and the re-transfers of savings are guaranteed by the new cabinet. So what is new in this announcement?

[Answer] This announcement has come to bolster confidence. We want to hear it loud, even if it is in the hearts. This means giving the Egyptians abroad the guarantee.

[Question] What are the measures or policies of which you are thinking in connection with the currency exchange price to attract more of the savings of the Egyptians working abroad? It is well known that the black market price attracts most of these savings.

[Answer] To encourage workers abroad to pay in foreign currency, they have to be given benefits. We have said that whoever pays in foreign currency will have the priority of choice and priority of reservation insofar as manufactured goods are concerned. A third measure is still being studied by the Policies Committee (the minister did not reveal this measure but it is expected to be within the framework of a special price for the remittances of workers abroad).

[Question] You will go to Iraq, Kuwait, the Sultanate of Oman, and Jordan to meet with the Egyptians working there. Does the trip have other objectives? What new decisions concerning the Egyptian workers there will you be carrying?

[Answer] I do not anticipate the events. However, this trip has a number of objectives. There are economic feasibility studies in the industrial and agricultural spheres and in the sphere of housing projects. They will be presented to the Egyptians abroad. The trip also seeks to translate the president's speech inaugurating the People's Assembly's and the Consultative Council's sessions, speaking of the major awakening and appealing to our Egyptian sons abroad and to convert this message into a tangible reality. It further seeks to study the possibility of organizing fairs for distinguished Egyptian products in order to open the doors for their exports. The objectives further include familiarization with the people with scientific and practical experience in order to urge such people to contribute to the development inside the homeland through programs for the transfer of technological knowhow. The objectives also include familiarizing the Egyptians abroad with the most important national and pan-Arab issues and with the features of the development plans and exploring their opinions and suggestions for strengthening the relationship between them and the motherland. The trip is also intended for familiarization with workers' conditions in the expatriate countries by living with, discussing, and exerting efforts to solve their problems there.

[Question] What is your opinion of the statement that the harm done by the Egyptian labor abroad is more than its benefits by virtue of its planting in the homeland consumption patterns that have led to increasing prices, to intensifying the inflation waves, to nurturing the black foreign currency exchange market, and to dropping the cash remittances? Do you consider the likely return of the Egyptians from abroad a blessing or a curse?

[Answer] This statement is refuted. The consumption pattern is not established by the Egyptians abroad. Individual consumption has grown by a large degree insofar as numerous commodities are concerned, such as wheat, flour, rice, and corn. The number of Egyptians abroad is smaller than the number of Egyptians at home whose incomes have risen considerably, who follow extremely high consumption patterns, and who have no children abroad. As for the likely return of the workers, Egypt opens its arms to them because a large number of the returnees, if not all of them, are craftsmen and the national economy needs them.

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COLUMNIST QUESTIONS DECISIONMAKING PROCESS

Cairo AL-SHA'B in Arabic 24 Dec 85 pp 1,9

[Editorial by 'Adil Husayn: "On the Economy and Decisions in This Country"]

[Text] Watchers of economic debates note that economic discussions become animated two times a year: in June and near the end of the year. Debates and proposals that come to our attention during these two seasons are a reflection on the mission of the IMF inspection team. This team comes in June to set fiscal and monetary policies before drawing up the budget, then in December for the semiannual follow-up.

Often this team carries with it some disturbing things. This is one reason why the beginning date of the fiscal year has been changed. The so-called measures and corrections usually occur before the beginning of the fiscal year. The January 1977 events proved that this month is dangerous and unsuitable to be the beginning of the fiscal year because political activity is high at this time. That is why the beginning of the fiscal year has been changed to July and the semiannual follow-up to January.

At any rate, debates have become repetitious to the point of boredom. All economists of various orientations agree that the economic situation is grave and getting worse. When President Mubarak held a conference for economists when he first assumed power, not one of them disagreed on this point. They all now feel that the situation is not being treated seriously and is indeed deteriorating.

During each season national economists submit proposals and recommendations for solving these problems and facing what have become widely known as IMF guidelines. It has been noted that in every round of debate, a number of economists abandon the collective view and their previous positions to defend IMF guidelines for the sake of what they call correcting the economic course. Often the economic ministers are selected from this team.

Sometimes people in ministerial positions find out through experience that things are more serious than they had imagined and that implementation of IMF guidelines is in total conflict with the interests of the national economy. They begin voicing their concerns, thus embarking on their journey out of the cabinet. At any rate, this species has become rare indeed and most of those

who leave the cabinet go to work for banks or the like, thus preferring to remain silent to protect their own interests.

Nevertheless, Egypt has not turned sterile. New and old generations of national economists have clear, unalterable positions and all those who are inhibited by self-interest from telling the truth openly declare that IMF directives have led to Egypt's ruin and are causing further deterioration.

These days we are witnessing the traditional debates of the end-of-the-year season. We are hearing the same proposals and, since policies have not changed, the same familiar scenario. With our lasting inability to deal with the outside world and the perennial budget deficit, the pound has fallen at home and abroad, thus prompting the IMF to ask us to recognize the fait accompli and devalue the pound further against the dollar (on the grounds that the Egyptian pound is based on the dollar). And since our government always turns down options presented by national economists, the only choice it has is to accept IMF guidelines which promise easy-term loans in return for our compliance.

The next scene is a dialogue about the possible step-by-step implementation of IMF guidelines, which necessarily means a significant jump in prices to be borne by the poor so as not to scare away investors!

We are now living through the step-by-step phase they have quietly worked out with the IMF. We have sensed it from reports about airplane tickets for this is the door to the devaluation of the pound. Implementation begins with the simpler side first, then moves on to the basic food commodity imports. When the prices of these imports are calculated on the inflated dollar (or the deflated pound) it is immediately claimed that selling bread to consumers at the current price means higher government subsidies and, therefore, bread prices must be raised.

Thus, we are headed for a general increase in prices which is starting to be felt even from the standpoint of political stability. Our economic misfortunes were not preordained. God in the last few years has given us rare economic opportunities to prosper, but we have wasted them all due to our submission to foreign guidelines and political interest groups who are ready to sell out the entire country when national interests conflict with theirs. We are not against legitimate wealth, but the key to lawful gain is not to earn an income by becoming a slave to the enemy of one's religion and country.

The opportunity to prosper has not yet slipped away, but when will we listen to those Egyptians who have distanced themselves from dubious interests and relationships?

This question leads to a greater question: How are decisions made and policies set in our country? This question has troubled us for years. We used to think that policy-makers were not interested in obtaining adequate information about the subjects of their policies or in grasping and analyzing such information properly. We also used to think that the strategic decision-making circle was wider than necessary and possible and that those inducted into the process were not the competent in this field.

I think we are still of the same opinion, to which I add that we suffer from a lack of determination to enforce our decisions out of deference to those who stand to be hurt by them, notwithstanding that their opposition is supposed to be known and reckoned in advance.

I say this while thinking about the Haykal affair. AL-SHA'B said last Tuesday morning: "This is the most serious political decision." This is a wrong evaluation because the most serious decision was the decision issued on the eve of the same day (Tuesday) rescinding the first decision.

I have not strayed from my original economic discussion because the thing that interests me in the Haykal decision, in this context, is the way decisions are made and resolutely implemented. This is the general rule of politics, regardless of the content of the specific decision and of our support for or opposition to it. Something similar to the Haykal affair happened to the January economic decisions which melted away as soon as they were issued, leaving their author (Mustafa al-Sa'id) to stand alone without any support. The same thing is facing Ibrahim Sa'dah in the Haykal affair. Sa'dah was one of those who defamed his predecessor al-Sa'id without mercy!

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EGYPT

CASE FOR ISLAMIC EGYPT DEFENDED

Cairo AL-AHRAM: AL-TAB'AH AL-DUWALIYAH in Arabic 17 Dec 85 p 7

[Article by Fahmi Huwaydi: "Islamic Egypt, Without Sensitivity"]

[Text] One of the most surprising and astonishing things is this dialogue which surfaces from time to time on Egypt's affiliation. It seems that the parties to this dialogue have not yet succeeded in giving us a satisfactory and convincing answer to the big and difficult question: Who are we?

The latest we have read in this respect is an opinion saying that Egypt is a country with multiple affiliations, that the Egyptian identity is a mixture of the Pharaonic, Roman, Greek, Coptic, and Islamic civilizations, that reconciling these affiliations depends on how intelligent we are, that those who do not have such intelligence are proven guilty of the charge of having a single affiliation, and that such people often end up falling into the abyss of fanaticism and radicalism (see AL-AHRAM of Thursday, 12 Dec).

Considering that I am one of those who say that Egypt has a single Islamic affiliation, then perhaps it is necessary to point out that this means, on the other hand, that I am one of those who have failed the projected intelligence test. This is not such a disgraceful thing, considering that God gives intelligence to whomever He wishes. But what concerns and worries me in the matter is the statement that those who embrace the position I have chosen are classified as fanatics and radicals.

By virtue of the fact that I consider myself as far as possible from fanaticism and radicalism--and I do have a modest number of works that decisively support what I claim--it is necessary to clarify matters in order to refute the charge, eliminate the suspicion, and vindicate one's self.

Civilizational Islam

To begin, we must agree on the objective and on whether it is to read history or to read the current reality. If we are talking about reading history and reviewing its events, when this is a context over which there is no fundamental disagreement. But if we are talking about the current reality in contemporary Egypt, then this is the starting point of disagreement.

When we speak of Egypt's Islamic affiliation, we insist on drawing attention to the fact that Islam is not just a religion and that with the passage of 14 centuries since its onset, it has also become a civilization and a culture. If the Muslims have sought the shade of the religious Islam, then the civilizational and cultural Islam has been throughout history a vessel and an umbrella for the followers of the other divine religions, even the followers of the religions considered paganistic, such as Mazdaism, Zoroastrianism, Buddhism, and Hinduism. All their adherents, especially the Christians and the Jews, have made their undeniable contributions to Islam's civilizational march.

We do not understand this sensitivity that has risen among some of our contemporary intellectuals to the mention of the word "Islam." These intellectuals believe that this word is inevitably aimed against the others. Some interpret the Islamic affiliation as an affiliation that of necessity comes at the expense of Arabism and Egyptianism and they interpret the call to Islam as a call that poses a threat to national unity and the application of the Shari'a as something that by necessity comes at the expense of the non-Muslims.

We do not understand this insistence on reading Islam with the logic of intersecting with other religions and not with the logic of moving parallel to and in compassion and continuity with the others. If this reading relies on the opinions of some jurisprudents, then our response is that these opinions, limited as they are, constitute no argument against us or against Islam. The only thing that can be used as an argument are the provisions of the Koran and the Sunna--and I emphasize this--which declare that all people are created of the same breath, which elevate man's standing, and which consider him God's honored and chosen creature, regardless of his religion, color, or race. These are the provisions that urge Muslims to be "benevolent to the other," even if they are infidels, as long as they do not antagonize or fight the Muslims. The benevolence to which the Koran refers in this context is the same benevolence it describes in the desirable relationship between children and parents in the same family.

Even within the framework of the jurisprudents' opinions, any vigilant and fair reading of these opinions must inevitable discover this broad concept of the word "Islam" and discover Islam's view of all kinds of people, with their various creeds and colors. Listen to 'Ali ibn Abi Talib instructing and advising his governor of Egypt: People are of two kinds--either a brother in religion or an equal in creation. And listen to Imam Abu Hanifah say in his treatise "The Scholar and the Student" that God's religion is one but that the canonical laws are different. Abu Hanifah also said, that God, may He be praised, "sent His messenger out of compassion so that he may unite the divided and may enhance harmony. He did not send him to divide the word and to incite some people against others."

House for All

The "house of Islam," to use the common jurisprudential phrase, is not confined to Muslims alone. It is for Muslims and for others. The criterion for the use of this phrase is not the adoption or non-adoption of Islam, according to the Hanafi, Zaydi and, most contemporary jurisprudents. The criterion is the

achievement of safety for the Muslims. One jurisprudent has gone as far as saying: "If the Islamic rites, or most of them, are performed, then the country is a house of Islam even if it is dominated by an infidel ruler." The prominent "Abd-al-Wahhab Khallaf said: "The subject of disagreement in considering the house of Islam is security or fear." Dr Subhi Mahasani, another prominent researcher, said: "Discriminating against people in the Islamic state on the basis of religion is an act of 'ignorance and deception.'"

If this sensitivity emanates from reactions to the calls issuing from some enthusiastic or fanatic youth--calls reiterating on some occasions or in some gatherings the words "Islamic, Islamic"--then we say that excessive and unenlightened enthusiasm is something against which sensible Muslims complain before others. Wisdom dictates that the response be: Let it be Islamic with the conditions and course of Islam and not with the whims, intolerance, and narrowmindedness of the vociferous.

History's Testimony

If this sensitivity emanates from recollecting some historical events and evidence, then we beg that history be read with honesty and without bias, unfairness, or partiality. Such a reading must inevitably show us the following:

First, the first document written in the history of Islam--a document written by the Prophet while he was laying the foundations of Islamic society in Medina and known by the name of al-Sahifah--contains a paragraph which considers the Jews and the Muslims a "single nation." The Jews were thus treated as citizens, not as foreign subjects or second-class subjects, in the newborn Islamic state.

Second, Islam is credited with protecting all the divine and non-divine religions in the countries it conquered. Because of this protection, these religions have been destined to survive and flourish throughout the past centuries. The Islamic state could have done what the Christian regimes did in Europe, uprooting Islam from the continent--from Andalusia, Southern France, Italy, and Sicily--and using for this purpose the weapons of expulsion, murder, and coerced conversion to Christianity. There are among the researchers even those who say that Islam is responsible for the continued presence of the minorities problem in the Arab world.

Third, throughout the eras of the Islamic state, non-Muslims remained, as a rule, citizens enjoying our rights and shouldering our duties, as it has been truly said. Under the rule of Caliph Harun al-Rashid, the schools were under the supervision of Yuhanna ibn Masawayh, a Christian, and the universities of Cordoba and Granada were in the hands of Jews primarily. When Baghdad was destroyed in the 4th century of the Hegira, it was Nasr ibn Harun, a Christian and a minister of Caliph 'Udud al-Dawlah ibn Buwayh [presumably Babuwayh], who rebuilt it. History books abound with pages that tell how non-Muslims exercised the rights of citizenship in the House of Islam.

Fourth, Islamic society never knew in its history descriptions such as "minorities" and "religious communities" until the decline of the Ottoman State --in the 18th and 19th centuries. The Western countries were the ones that coined such descriptions and used them as a pretext for intervention on the grounds of protecting these minorities and defending their interests.

Fifth, under the canopy of Islamic Egypt, the Coptic language continued to be in use in Egypt for 350 years after the conquest, according to prominent German researcher Adam (Metz). Prior to the British occupation of Egypt, a British envoy wrote to Palmerston, his country's foreign minister, in 1837 saying that Egypt's Copts do not mix with foreigners like the Muslims, that their women are veiled, that it was difficult to make a distinction between Copts and Muslims in the cities and in the countryside, that all cooperated in building mosques and churches and shared in celebrating certain religious occasions and in visiting certain holy tombs, that Muslims learned in Coptic schools and Copts in Awqaf schools, and that some Copts enrolled in al-Azhar to study logic, and linguistic and legalistic sciences. In his book "Muslims and Copts Within the Framework of the National Group," Tariq al-Bishri draws up a detailed picture of such bright pages of the Egyptian history.

Addressing 1 Billion Muslims

Islamic Egypt negates neither Arab Egypt nor Egyptian Egypt but rather incorporates both and goes beyond whereas the opposite is not true. The influence, actually the vital sphere, of Islamic Egypt extends from Indonesia to the heart of the African continent. Islamic Egypt addresses 1 billion people over this vast area. I saw them in an Indonesian island in the middle of the Indian Ocean performing the prayers for the departed when Lieutenant General 'Abd-al-Mun'im Riyad was martyred on the canal front in March 1969. They then came to convey their condolences to us, with grief gripping the island. The number of Pakistanis who volunteered to defend Egypt in the wake of the 1967 aggression amounted to 1 million people. Those who have had the opportunity to visit the East African or West African countries or any of the Islamic Asian countries know better than others the impact and weight of the word of al-Azhar's Egypt on these areas.

Islamic Egypt is the imam of all and, with the testimony of all, has a bigger dimension, a more effective word, and a role that has to be taken into careful consideration.

Egypt could not perform this role without its Arab affiliation and its civilizational weight which it derives from its deep-rooted Egyptianism, not to mention its unique position in communications between East and West.

I may even go further to say that Islamic Egypt is more entrenched in the Arab world with its population of a little over 100 million people. This is because the statistics show that the racial minorities--i.e., the non-Arab Muslims, led by the Berbers and the Kurds--are twice the number of religious minorities, comprised of Christians and Jews, in the Arab world. This is what Dr Jamal Hamdan draws our attention to in his book on the Islamic world, saying that "the ratio of Islam in the Arab world is higher than the ratio of Arabism.

Those who have been in close contact with the Algerian and Moroccan reality are aware of the sensitivity of many Algerians and Moroccans to the word 'Arabism' and of their absolute preference for the Islamic affiliation."

Arab Egypt is less significant than Islamic Egypt. A Pharaonic Egypt--I don't know what form it takes or whether it contains anything that can be revived--becomes insignificant and may perhaps turn into something showing up in history's museums, such as the American Indians or the Mayan people!

Futile Question

There are futile questions raised by some people in this regard, also on the basis of clinging to the course of intersection and opposition and not of parallelism and continuity. For example, there is the question that asks: Who is closer to the Muslim Egyptian, the Muslim Indian or the Christian Egyptian? This is the kind of rhetorical question that reminds us of the dual between the sword and the pen or the race between a car and a plane with which we were occupied as elementary school children.

The fact is that the issue is not so simple or superficial. Relations between people in Egypt or India are not built on the basis of love or hatred. Moreover, it is impossible to separate such a question from its political, economic, and social context which ultimately produces and shapes the position. Moreover, a Muslim Egyptian's empathy for an Indian does not necessarily mean that this empathy comes at the expense of the Egyptian Christian. It is unfair to phrase the question in a manner that opposes either this or that.

In our modern history, President 'Abd-al-Nasir supported India in its war against Pakistan in the 1960's and this support did not mean that the Muslim Egypt stood with the Hindus against the Muslim Pakistan. It was a matter of purely political considerations and religion was not involved in it.

It has been proven that when Britain entered the war against the Ottoman Caliphate in Turkey at a time when India was still a part of the British crown, the situation angered India's Muslims who considered their country, which was tied to England, a house of war. Several thousand Muslim Indians thus emigrated to Afghanistan.

Moreover, to counter the Turkish oppression which peaked in the 19th century, the Arab world, both its Muslims and Christians, confronted the caliphate and its practices. The option available was not religious but was rather tied to the question of tyranny or justice.

If we may carry the matter further, we may even say as a result of our historical experience that this question should not be posed as much to the Islamic side as to the Christian side. The Arab world has never been subjected to an Islamic invasion. Its invaders have been either pagans (the Tatars before they embraced Islam) or Christians (the Crusaders, the French invaders, and then the British invaders). In every invasion, the positions of the non-Muslims ranged from aiding the invader to fighting him, as in both Syria and Egypt. However, the position of the Egyptian Coptic Church has always been honorable and above any suspicion.

Islamic Egypt is a reality in which there is no fabrication and no falsehood. If Egypt's reality is as complex as some people wish to stress, then in the final analysis this complexity flows into the same vessel. If some people don't like water for one reason or another, their disliking it does not change the fact that water consists of oxygen and hydrogen. If we accept the characterization of the Soviet Union as a communist state, even though Communist Party membership does not exceed 5 million and even though communism there is about 75 years old--which also applies to China where communism is not 40 years old yet--then I don't understand why we are reluctant to give Egypt the characterization of Islamic, even though Egypt has been in the bosom of Islam for 14 centuries and even though Muslims constitute 90 percent of its population, at least!

Yes, Egypt's Islamic face is emaciated, pale, and tired. But this is another matter. One's loss of his health may change one's complexion and looks. But such a loss does not under any circumstances change one's skin or name.

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BROTHERHOOD'S AL-TALMASANI DISCUSSES KHATIR CASE

Cairo AL-SHA'B in Arabic 17 Dec 85 p 10

[Commentary by 'Umar al-Talmasani: "I Wish We Were All Sulayman Khatir"]

[Text] What crime did he commit? Who agreed to interrogate him and who agreed to file a public lawsuit? What kind of court will try him? All these questions are being asked by people from Alexandria to Aswan and all are in dire need of an official statement to explain the facts.

It has been said that he was one of the brave Egyptian soldiers along the borders between us and our friend with whom we have entered into an alliance through the Camp David Accords and who has adopted a despicable position toward us, interpreting this accord, which we have denounced, to its own advantage.

It has also been said that some Jewish soldiers on the other side of Taba provoked and made fun of him and their impudence and defiance went so far as to spit at the Egyptian flag, the symbol of our dignity, so his zeal and sense of honor drove him to fire at those wanton individuals, killing some of them.

Had he not done that, he would have been a criminal liable to court martial for failing to fulfill his duty. What does any human being in the world think of a man who witnessed his country's flag being spit on by his country's enemies? I am utterly perplexed why Sulayman Khatir should be brought to trial as a punishment for his patriotic ardor and because he wanted to teach a harsh lesson to anyone who contemplates such a loathsome deed.

We have said repeatedly that the rulers of this Islamic region must give their people the freedom to deal with those who assail the country's dignity. People are capable of feeding bullets to their adversaries to silence them and put a stop to their immoral and unlawful actions.

I had thought that Sulayman Khatir's behavior, in support of the Egyptian side in its negotiations with Israel--because the Egyptians had to explain such behavior as being motivated by pent-up feelings toward Israel's position on the Palestinian question and its aggression against the Golan Heights, southern Lebanon, the West Bank, and Gaza--was a clear indication of the kind of resentment seething in Egyptian hearts against Israel's disdain of all human laws and

morality. Respect for Egyptian public opinion decrees that this man be honored instead of incriminated.

I do not want Sulayman Khatir to be acquitted on the grounds of conflicting testimony or temporary insanity. Such allegations take away from the nobility of such a momentous action undertaken by an honorable citizen. This is a position I wish every Egyptian will embrace toward Israel. Israel's actions in this entire region are the epitome of disgrace and ignominy for peoples who witness such contempt and tolerate it, to the point of prosecuting and judging an Egyptian who dared take such a manly stand.

Have things between us and Israel reached the point of punishing zealous citizens intent on protecting the country's dignity? What is the price? What is the benefit?

I suggested that no lawyer represent Sulayman Khatir in court and that his fate be left to his judges for they are no less eager than anyone else to safeguard their country's dignity. What Sulayman did was an act of fair and legitimate defense and Egypt's judges are fair and conservative people.

The court may appoint a public defender for Sulayman Khatir in compliance with criminal procedure. He must refuse and accept whatever punishment may be inflicted on him, for it is more honorable than defending an action which had to be undertaken one way or another. Prosecution of this man will have an adverse effect on the people's thoughts, feelings, and actions as well as on their willingness to support their country in any situation requiring this kind of behavior.

I am not a zealot or a fanatic but rather an Egyptian Muslim who says what his religion and, indeed, his patriotism dictate to him. Egypt accepted Camp David reluctantly and silently. The result was, as we have seen, that Israel devoted its efforts to confront the Islamic countries.

Being confident of the Islamic country's stance, Israel embarked on its confrontation with us in realization of its designs on our land, hence its stand on Taba.

All of Egypt's feelings and hearts are with Sulayman Khatir and are dissatisfied with all measures that have been taken against him. We trust in God and have confidence in His justice. God is supreme.

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COLUMNIST ANALYZES HASANAYN HAYKAL CONTROVERSY

Cairo AL-SHA'B in Arabic 24 Dec 85 p 5

[Commentary by Hasan Nafi'ah: "Who's Afraid of Hasanayn Haykal?"]

[Text] No sooner had AKHBAR AL-YAWM newspaper announced its sudden decision to invite Mr Muhammad Hasanayn Haykal to write for it regularly and Haykal's acceptance of this proposition than the country began humming and buzzing with questions and inquiries, discussions and analyzes, and assessments and anticipations. This humming soon turned to a roar which gradually assumed the form of a political battle still raging under the truly disturbed roof of political life.

The matter did not stop at such humming or even roaring. The sides who consider themselves parties to this battle did not wait to see what Mr Haykal was going to write before voicing their support or opposition or expressing their delight or disapproval. Rather, some influential news, political, and economic media moved frantically to prevent Mr. Haykal from writing for AKHBAR AL-YAWM in particular and perhaps for the national press in general. These circles concentrated their attention on AKHBAR AL-YAWM, allegedly to the point of going beyond threats to withdraw their ads from it to actually cancelling some advertising contracts. The circle of pressure grew wider and more organized and began going after the highest decision-making centers in Egypt, warning against the consequences of allowing Haykal to write in "national newspapers": capital is timid and the dollar is in a feverish state and Haykal's writing will surely create a gripping atmosphere that is bound to encourage timid capital to flee and to raise the temperature of the dollar even higher!

An editorial by Mr Makram Muhammad Ahmad in the last issue of AL-MUSAWWAR underscored the existence of such pressures and indirectly revealed the fact that these pressures have so far succeeded in stopping or freezing the deal between Mr Haykal and AKHBAR AL-YAWM. Mr Makram said that this deal was still beset with differences which might cause its postponement for a while. Does this mean that the deal between Mr Haykal and AKHBAR AL-YAWM is not final? And does it make sense for the company to risk publishing such significant news with such promotional fanfare before finalizing the deal? Absurd. The reader is not as gullible as some famous writers seem to imagine!

This explanation of ours is decisively underscored by the fact that the main thrust of Mr Makram's article was to reassure the circles opposing Mr Haykal's return to writing, even though their assurances assumed the form of skillfully and cleverly defending Mr Haykal's right to write. Mr Makram reminded these circles that Mr Haykal supported the late President al-Sadat in his crucial steps that took him to Jerusalem even though he had opposed the visit and the agreements during al-Sadat era. He also called attention to the fact that Haykal did not demand the abrogation of these agreements in the Mubarak era, describing anyone making such a demand as insane. At the same time, Mr Makram emphasized that Haykal was not a partisan of the class struggle school and was the first one to defend the possibility of neutralizing the United States in the Arab-Israeli conflict, etc.

Indeed, I was flabbergasted by Mr Makram Muhammad Ahmad's editorial for I had not imagined that things in Egypt has deteriorated so. True, I was among the first to write about the "regime's predicament in Egypt," but I never imagined the situation to be so bad as to compel Mr Makram to dress Haykal in a garb acceptable to the economic opendoor and the American-Israeli settlement brokers. It would have been more appropriate for Mr Makram to defend his mentor's right in principle to write regularly in a "national" newspaper, regardless of his past, present, or future political tendencies and positions. But I do not blame Mr Makram as much as I direct my exasperation at the circumstances that have led to this rotten climate. The only significance in this state of affairs is that some business and financial circles have dominated the political decision-making process in Egypt to such a degree that it is enough for them to "cough" or to frown to send tremors through the decision-making centers in Egypt without any objective discussion of the validity or soundness of their objectives.

The issue is not what Haykal said in the sixties or seventies or what he may say in the eighties.

Neither is it a question that Haykal was the all-time favorite of 'Abd-al-Nasir and the sometime favorite of al-Sadat, for most of his detractors have themselves tried to be the regime's favorite and some of them have attempted that with all regimes at all times.

It was strange to base these scare tactics on the allegation that Haykal's return heralds intrinsic shifts in political tendencies. If this were true, Mubarak would have been satisfied with seeking Haykal's counsel without the need for his writings. And if the purpose were to promote certain resolutions about to be issued and to marshal strong public support for them, it would mean that Haykal is the only current new media leader able to influence public opinion. This is a credit to him because it leads to the following logical question: How can I deprive public opinion of a coveted writer? And in whose interest? It would also mean that the intent is to waylay any effort by President Mubarak to effect changes in his current policies, thus making him the real target of these pressures. Placing the issue at this level is an injustice to the president and to Haykal himself as well as to some of our leading journalists who are loved and respected by the Arab and Egyptian publics and, indeed, is an injustice to Egyptian public opinion itself.

Mr Muhammad Haykal is first and foremost a writer whose real arena is the press and his weapon is the word. Those who want to fight him must go into his arena and must accept the readers' judgment of him and them, instead of stabbing him in the back, scaring the president about him and about the economic damage his return to writing will inevitably cause, and blaming him in advance for all future catastrophes. This is not a defense of Mr Haykal.

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ISMAILIA'S VIRTUES EXTOLLED

Cairo AL-AHRAM: AL-TAB'AH AL-DUWALIYAH in Arabic 17 Dec 85 p 16

[Editorial by Ahmad Baha'-al-Din]

[Text] There is a malady called Cairo. When this malady intensifies, it becomes Greater Cairo, which stifles us and which we stifle.

I packed up to spend 2 days in a place with clean air and little soil, chemical, noise, and visual pollution. My companion on the trip told me that the closest place is Ismailia.

There is no doubt that Ismailia is one of the country's prettiest cities at present. Its location on the canal's lakes gives it the refreshing sea climate, without Alexandria's air pollution and overcrowding, which rival Cairo's overcrowding and noise. Ismailia is the only Egyptian city with an abundant share of public parks and, consequently, quiet. Imagine that you can stroll on streets surrounded by parks and free of traffic noise, of ugly advertisements, of overcrowding, and of the noise of car horns. Imagine that you can do this in an Egyptian city!

We stayed at the pretty Itab Hotel on the canal bank. It is a young hotel and all those working in it are young men and women. It is also a small hotel. I hate big hotels which make you feel that they are independent cities or overcrowded airports, as you feel at the Hiltons and the Sheratons, which fill all five continents. I prefer a hotel with an atmosphere close to the atmosphere at home. Big hotels are for businessmen and small hotels are for rest and recreation and for taking a breather.

There is no doubt that Ismailia is growing and that its population is increasing, like the other parts of the country. I have not met a city official to find out the details. However, I hope that the city's growth will not come at the expense of the city's special atmosphere.

On the broad highway from Cairo to Ismailia, the trip by car takes 1 hour whereas it took me 1.5 hours to get from my home in al-Duqqi to the far end of Heliopolis. I have calculated the distance between the last apartment building in Cairo and the first building in the 10 Ramadan City and found that it amounts to only 34 km.

On the way back and after crossing Cairo in 1.5 hours in the middle of the day, one feels the same as when he left, with the noise, the overcrowding, and the dust erasing all traces of Ismailia's public parks.

POLITICAL FUTURE ANTICIPATED FOR BINYAMIN BEGIN

Jerusalem THE JERUSALEM POST in English 24 Jan 86 p 2

[Article by Sarah Honig]

[Text] TEL AVIV. — The consensus in Herut yesterday was that Dr. Ze'ev Binyamin Begin's television appearance Wednesday night constituted the former prime minister's son's plunge into the cold water of politics. This despite the younger Begin's own denial of immediate political ambitions.

Begin's father, *The Jerusalem Post* was told, was very happy about his son's appearance. He told a visitor to his Yafeh Nof home in Jerusalem that he thought his son came across well and answered the questions put to him adroitly and excellently.

The view that the TV appearance was a first political step is shared not only by Herut activists who yearn to see the Begin name given top billing again, but also by close friends of the family.

The latter told *The Post* yesterday that Dr. Begin, a geologist, has long been vacillating about entering the political arena. The fact that he agreed to be interviewed on the *Moked* programme cannot be accidental, it is claimed.

Begin's son was very stubborn when he had his mind set against politics and against public exposure, and he flatly refused any overtures

from the press. The fact that he suddenly agreed to be featured on TV's leading interview programme indicates that he must have had some further objective in view.

He aimed some sardonic barbs at Ariel Sharon. But for that he need not have exposed himself to other probing questions, say Begin's close acquaintances. They explain the appearance as resulting from a bite of the political bug. The scheduling of the interview, moreover, comes close upon the heels of his decision to run as a delegate to the upcoming Herut convention, it is pointed out.

The Begin interview was practically the sole topic of conversation in Herut headquarters at Metzudat Ze'ev yesterday. There was great

excitement throughout the party. Various party branches are expected to start inviting Begin to address their members, and he is sure to pack the auditoriums. Making the rounds of the branches is not "dirty politics," of which Begin may be wary, and it will fix him firmly at the top of the party hierarchy, the activists said.

Next, Begin will be waiting for an appeal from the party to lead it, which will come sooner or later, and he will yield to the "demand of the rank and file" according to the popular Herut scenario.

But Menachem Begin's son is not as immune from criticism as his father, and there could be some critical voices.

Most unhappy about his TV debut were members of the Sharon camp, who criticized him for "speaking down to people" and not wanting to dirty his hands with daily party activities. If he wants to try out for the party leadership, he will be welcome, but he will have to run the same course as every young member, with no special privileges because of his name, *The Post* was told.

The Sharon followers were hurt most by Begin's clear anti-Sharon sarcasm when he belittled the Sharon camp in the party, and spoke about those who joined it after the Likud's electoral victory in 1977. Sharon himself, however, was careful not to comment.

Another note of displeasure was sounded by MK Dov Shilansky, who, though he professed to "love Benny from the time he was a child," said he would not have replied as Begin had to questions about the Temple Mount and the Jewish underground. Begin urged caution and restraint about the Temple Mount, and said he saw the members of the Jewish underground as criminals who should be punished like any other criminals.

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ANTIRACISM BILL CAUSES CONTROVERSY

Jerusalem THE JERUSALEM POST in English 28 Feb 86 p 2

[Article by Asher Wallfish]

[Text] Knesset Law Committee chairman Eli Kulas said yesterday that the efforts of Michael Eytan, of the Likud's Herut wing, to slow down the passage of legislation curbing racism, were "causing the Likud tremendous damage and tarring us all with a racist brush."

Kulas and Eytan had a big row over the preparation of Penal Code Amendment No. 24 on incitement to racism which the committee is preparing for its second and third readings.

Eytan sought, unsuccessfully, to reopen committee discussion on the legislation and to alter its wording in a way that Kulas said had watered it down and made it ineffective.

Committee members representing Shas, the National Religious Party and the Likud (except for Kulas who belongs to its Liberal wing) supported Eytan's proposal to narrow the amendment's definition of "racism" and to apply the prohibition on publication of racist incitement to statements which have already been shown to have caused racist effects.

Because the committee was tied seven to seven on Eytan's proposals, which Kulas described to *The Jerusalem Post* as "crazy notions," Eytan publicly accused Kulas of "turning the Likud into a figure of contempt."

Eytan said Kulas was "a traitor" and "a deserter" because he had promised him (Eytan) that morning to abstain when Eytan raised his proposals to reword two paragraphs of the amendment.

Kulas denied making any such promise. He told *The Post*: "All I told him was that if I saw he had a clear majority for his proposals anyway, then I would abstain. He had no right to tell his colleagues that they could count on my vote."

Kulas said that during the eight months that the amendment had been in the committee, less than half the members had come to meetings and then only briefly.

"Justice Ministry officials were astounded and often offended at the way members would pop in, ask a question, and then rush out before they got the answer. Nor did the members care what their colleagues asked and what the answers were. My committee has a disgraceful record," Kulas said.

Kulas said he had wanted a much stiffer law against racism but had had to make do with half-measures. "The amendment will not proscribe racism or even incitement to racism; it will merely prohibit publication of incitement to racism."

He said: "The amendment does not tackle the thorny problem of discrimination. That means you can refuse to sell your flat to somebody because of his race or faith, and get away with it. Your problem will only begin if you take a loudspeaker and incite others not to sell their flats."

Kulas said: "The law does not empower the police to ban a public meeting that they believe will incite to racism. I asked Police Minister Haim Bar-Lev if he favoured this provision, and I never heard an answer from him."

Kulas said that the maximum penalty for publication of incitement to racism was five years imprisonment. He said his original proposal had been a two-year penalty, but he had changed his mind after reading a paper by Haifa District Court Judge Micha Lindenstraus.

Kulas said that one result of increasing the maximum penalty would be that cases could only be tried in the district court rather than the magistrates court.

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ISRAEL

ADVANTAGES OF PHANTOM PRAISED

Tel Aviv BAMAHA in Hebrew No 20, 15 Jan 86 p 7

[Text] "The Phantom planes that Israel has can become the best in the world for attacking ground targets, after they have been restored and improved." This was stated to BAMAHA by a senior Air Force command officer, Colonel S. "The Air Force commander has assigned top priority to the 'Phantom 2000' project, which will not be affected by cuts. The first two prototypes of the improved airplanes are already scheduled to fly in 1986-87."

The Phantom is a multipurpose aircraft used for both interception and ground attack. The aircraft was first manufactured in the United States at the beginning of the 1960's by McDonnell-Douglas, and it has been used in Israel since 1970. In view of its excellent performance, its high operational potential, and its great contribution to Israel's air actions, the Air Force last year decided to begin restoring the plane under the project "Phantom 2000," with a view to adapting the aging aircraft to the requirements of the 1990's and "prolonging its life" into the year 2000.

"The estimated cost of the project has been examined, and has been found to rise into millions of dollars," says Colonel S. "Nevertheless, it is less expensive by several hundred percent than purchasing new F-15's or F-16's." The Air Force commander has assigned the project a high budget and operational priority, and the monetary allocation has been consolidated under a multi-year plan, so that the project will not be affected almost at all by the Air Force cuts."

The final objective of the improvements is, according to Colonel S., to produce the best ground target attack airplane in the world. Unlike the customary practice, the Air Force is this time the main contractor, and its engineers are responsible for designing the improvements and supervising the work. "This is because of the budget cuts and because of the work, since it is the Air Force, and not any other body, that is most familiar with the Phantom." The work itself will be carried out by the Aircraft Industry and some eight other Israeli and U.S. enterprises, which will serve as sub-contractors under the supervision of the Air Force. The U.S. Administration is aware of all the details of the development project.

"Work is now in progress on two prototypes which are expected to fly toward the end of the coming year. The improvements are of two types: maintenance and logistics improvements, which are mainly designed to strengthen and improve the plane, so that the parts will be more stable and incur less wear and tear; and weaponry improvements. One of the areas that has been improved affects the plane's electrical wires, the total length of which comes to tens of kilometers and which become rapidly eroded.

"After the completion of test flights on the improved plane, the last changes will be built in, and the aircraft will be put into production. The project is expected to be completed by the beginning of the 1990's."

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ISRAEL

FURTHER SETTLEMENT IN GOLAN HEIGHTS HALTED

Tel Aviv YEDI'OT AHARONOT in Hebrew 31 Dec 85 p 12

[Text] At the recommendation of IDF Northern Command officers, the defense minister has decided not to authorize the establishment of additional settlements in the Golan Heights because of the need of IDF units for combat training fields.

After the IDF pulled out of Lebanon, the Golan Heights was reinforced with additional troops, and recently there have been situations in which settlements had to be closed down for hours on end while IDF units were training with live ammunition. There have also been some cases of near accidents.

The leaders of the Golan settlements say that "the foreign minister's decision is a tough one, with serious implications for the long term." However, they added that they fully accept the minister's explanations. Eytan Lys, chairman of the Golan Regional Council, said: "Undoubtedly, we wanted to establish new settlements, but it is clear to us that, at a time when the area is militarily sensitive, when fire ranges are increasing, the army needs space for deployment and training. I hope that a way will be found to ensure rapid development of the existing settlements."

The defense minister stated that he is in favor of the rapid development of the Golan settlements and regrets that other areas were given priority in the past because of political considerations. Shim'on Shavas, the defense minister's aide for settlement affairs, stressed that the Golan settlements will soon be included within a preferred budget for settlements located on the hostilities line. The defense system has assigned special preference to the Golan settlements. There have been no layoffs at the Golan defense enterprises and orders and work have been channeled to them.

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JOINT RESEARCH WITH GERMANY ESTABLISHED

Jerusalem THE JERUSALEM POST in English 28 Jan 86 p 2

[Article by Judy Siegel]

[Text]

The establishment of a West Germany-Israel scientific research foundation, with tens of millions of dollars contributed by the two countries, is due to be announced in Bonn today by Prime Minister Shimon Peres and Chancellor Helmut Kohl.

Peres and Kohl will announce the amount forming the principal of the fund whose yearly interest will be deposited in the Bank of Israel and used to finance scientific research in Israel only. The Germans are to receive some benefits connected to the research.

The Jerusalem Post's Bonn correspondent first reported on the negotiations on the foundation in yesterday's edition. Establishment of the foundation fulfils a major aim of Peres's visit to West Germany.

Science and Development Minister Gideon Patt told reporters yesterday that Peres and Kohl had first decided on the foundation last fall, in New York during the UN's 40th anniversary celebrations.

Such bi-national foundations are vital to Israeli science, Patt maintained, since his ministry's budget is only \$4.2 million, inadequate to the needs of scientific research. Foundations may also attract non-government money, tax-free, from endowment funds and inheritances abroad.

The German-Israel Foundation will be as important to Israel as the U.S. Bi-National Science Foundation, which brings in \$7.5m.

Patt said his ministry wanted to sign agreements with enough countries to set up foundations totalling \$250 million in financial resources.

These sums, he added, would stem what has recently become a "near brain drain" of scientists and help replace antiquated scientific equipment.

Patt said that during visits to foreign research institutes, his hosts had proudly introduced him to emigrant Israeli scientists who were working for them.

Hoped for are joint research funds with Britain (nearly \$50m.), Canada (nearly \$70m.) and Australia (for \$10m.). With the establishment of diplomatic relations with Spain, Patt hopes to sign an agreement with that country too.

Patt, who never misses an opportunity to criticize the economic policy of his fellow Liberal, Finance Minister Yitzhak Moda'i, said the Finance Ministry's programmes did not hold out "the slightest hope for economic growth," and thus neither industry nor research institutions could hire young scientists.

Patt also announced that Israel had been invited by the UN committee on science and technology to send an Israeli scientist to a conference in Peking in April. The scientist, as yet not named, is to lecture on the use of technology and scientific resources in the national economy. Patt said that although the invitation had come from the UN and not China, he felt there was "some openness" towards Israel there.

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AID TO DEVELOPMENT TOWNS CURBED

Jerusalem THE JERUSALEM POST in English 22 Jan 86 p 2

[Article by Roy Isacowitz and Tsipi Kuper]

[Text] Finance Minister Yitzhak Moda'i adopted a tight-fisted and hard-headed stance yesterday when facing down demands by 34 heads of development towns for financial assistance. The mayors and council heads have again threatened to strike their services and demonstrate on Sunday outside the Prime Minister's Office in Jerusalem if the Treasury does not give them the \$34 million it has promised.

Moda'i said that, while he commiserated with their problems, he would not print money for them, and added that they should explore ways of reallocating finances within the structure of the new budget.

The meeting, which took place within the context of the coalition executive, decided on the establishment of a joint team of development town representatives, the coalition and the Interior Ministry, to draw up recommendations for Moda'i.

Earlier, Industry and Trade Ministry Director-General Yehoshua Forer presented the Knesset Labour and Social Affairs Committee with plans that would create some 4,000 jobs in the development towns. He said investment in approved industries in these towns in 1986 would total \$600m., of which \$350m. is to come from government grants.

Committee chairwoman Ora Namir later told *The Jerusalem Post* she was not optimistic about fulfilment of the programme. "We have seen so many plans and nothing has come of them," she said. And MK Ran Cohen said that even if the plans materialized, they would not reduce unemployment when some 10,000 soldiers from development towns were demobilized each year.

A recent employment service report shows that over a quarter of the country's unemployed live in development towns, although their residents comprise only 10 per cent of the total population.

In Beit She'an, Sderot and Dimona, the towns most severely affected, unemployment grew by over 50 per cent during 1985, according to the report, with 12.5 per cent of the Beit She'an work force jobless during December, and 8.5 per cent unemployed in Sderot.

Peretz Amir, of Sderot, warned that he and his colleagues would not be able to restrain the mounting anger of the development town residents for much longer.

Menachem Ariav, of Upper Nazareth, added that were demonstrations against the government's economic policies to begin, they would be joined by Arabs from Nazareth and would soon acquire "an anti-Zionist colour."

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ISRAELI-EGYPTIAN IRRIGATION COOPERATION

Jerusalem THE JERUSALEM POST in English 28 Jan 86 p 2

[Article by Liora Moriel]

[Text] BEERSHEBA. – Israeli and Egyptian scientists are to cooperate in research on irrigating tomatoes and melons with saline water and on using salt bushes for fodder.

Agreement on this was reached at a meeting last week in Alexandria of U.S., Israeli and Egyptian scientists involved in the tripartite Cooperative Arid Lands Agricultural Research programme (Calar), according to Prof. Dov Pasternak of Ben-Gurion University who returned from the conference yesterday.

Pasternak, who headed the 15-member Israeli team, told *The Jerusalem Post* that "a breakthrough" had been achieved at the conference.

"In the beginning (three years ago) there was a lot of suspicion on both sides, both on the personal and the professional level, with each side wary of the other's ability to cooperate," Pasternak said.

But last week, at the first major annual workshop to be held in Egypt (the previous one was held in the U.S.) the parties were "more open to hear each other and discuss issues fully."

The joint programme, coordinated by the San Diego State University Foundation, promotes research in saline water irrigation, arid zone shrubs for fodder, and the development of crops for industrial use.

In Alexandria, Pasternak said, the scientists decided to work together on the first two goals. "But each team will work on separate industrial crops, with Egypt concentrating on the jojoba and Israel on the guayule."

The Alexandria conference was attended by 60 Egyptian scientists from five universities and

several Agriculture Ministry institutes. "A very high international standard was maintained at the workshop," Pasternak noted.

He emphasized that "Egyptian universities have been teaching agriculture on a very high level for years, and most lecturers there – as in Israel – have had experience abroad."

Even before the peace with Egypt, Israeli and Egyptian scientists met informally at international conferences.

The notion that Israel had knowledge to impart and nothing to learn from Egypt was false, Pasternak said, for while Israel had more experience and expertise in saline irrigation, Egypt led in arid zone small animal breeding.

The drip-irrigation method introduced east of Alexandria three years ago as part of the Calar project has already produced better tomatoes and drip irrigation is spreading through Egypt.

"Israeli extension workers were afraid we'd transfer know-how and technology to Egypt and damage our export potential. But from what I have seen on five trips, we cannot stop the transfer of technology to Egypt, and we might as well benefit economically and politically by supplying it ourselves," Pasternak said.

The Alexandria meeting has already resulted in plans for a visit here by five Egyptian scientists in March, with more such exchanges "in the offing," according to Pasternak.

Some 100 Egyptians, Israelis and Americans are involved in Calar, which is initially funded at \$1m. a year for five years.

/13104

CSO: 4400/106

ISRAEL

IDF EDUCATION MAY SUFFER FROM CUTS

Tel Aviv MA'ARIV in Hebrew 1 Jan 86 p 2

[Text] The defense apparatus is currently debating a proposal to cut more than 700 million shekels from the IDF education budget. The chief education officer, Brig Gen Nehemya Dagan, reacted: "That will be a tragedy. The army is the last opportunity to effect some changes in the social situation in Israel."

Dagan, who made the above statement during a visit to the IDF school of leadership development, said that in the 1984/85 fiscal year the IDF education budget totaled about \$5 million, out of which \$1.9 million came from the defense budget and \$3.1 million from the LAVI fund. Dagan revealed that some of the proposals under discussion will result in stopping soldiers' visits to museums, concerts, theater, and movies. On the other hand, various social projects, such as the Raful children's project, will not be touched.

One of the activities organized by the chief education officer's command is providing guidance for the commanding officers of recruiting agencies and for reception and classification officers at reception bases and boot camps as to how to handle the young recruits, so as to lessen the trauma of leaving home as much as possible, and to preclude negative impressions of the IDF due to insensitivity or careless treatment on the part of commanding officers.

Another activity involves regular meetings between the chief education officer and high school principals. Extensive cultural programs are also planned: the establishment of an IDF theater and of libraries in remote places within the framework of the Tarmil Pocket Books. Also under consideration is a proposal to mobilize cultural institutions for reserve duty, such as theaters and orchestras, which would stage shows for the troops.

The IDF education system is also in charge of guiding commanding officers to deal with various problems, such as Kahanism, the attitude toward democracy, etc. The IDF chief education officer suggested to the Knesset speaker that Knesset members should lecture to the troops on parliamentarianism. Next March the chief education officer's command will launch a special educational effort concerning attitudes toward the minorities.

12782
CSO: 4423/77

ISRAEL

REGULATIONS FOR TOURIST VISITS TO USSR CHANGED

Tel Aviv YEDI'OT AHARONOT in Hebrew 1 Jan 86 p 12

[Text] Israeli tourists will now be able to enter the Soviet Union within the framework of organized travel.

Israelis will theoretically go as guests of Soviet professional associations, but in actual fact any Israeli will be able to join such trips. Travel to the USSR became possible after Soviet professional associations agreed to host trips by Romanian professional associations.

Any Israeli belonging to a professional association can join any of the Romanian trips offered: a 15-day trip which includes, in addition to visits to points of tourist attraction in Romania, 1 day in Kishinev and 2 days in Kiev, for a price of \$899. The "package" includes first class hotels in the Soviet Union, too, and full board. A 17-day trip includes 3 days in Moscow for \$1,050; and a 19-day trip includes visits to Moscow and Leningrad for \$1,100.

The Israelis will be flown to Bucharest on EL AL or TAROM--the Romanian national airline--planes, and will continue to the Soviet Union on the USSR's Aeroflot planes. The Russians promised that group visas will be issued to those who fill out the proper forms and send them to Romania no later than 60 days prior to the day of travel.

Israeli tourist authorities yesterday said that aside from the fact that the USSR needs foreign currency, the fact that the Soviet Union is opening its borders to Israeli tourists signals a genuine change of policy.

12782
CSO:4423/77

ISRAEL

BRIEFS

DIPLOMATIC RELATIONS WITH IRELAND--The Irish government wants to open full diplomatic relations with Israel--this was stated last week by the Irish minister of industry and tourism, John Barton. The minister stated that the establishment of relations is important in view of the intensive contacts carried out between 14 Israeli firms dealing in advanced technology and local authorities on the construction of an enterprise in Ireland. In keeping with the currently existing arrangement, the Israeli ambassador to England, Yehuda Avner, also handles relations with Ireland, where he visits at certain times, while the Irish ambassador to Greece, Charles Whelan takes care of his country's affairs in Israel. Commentators in Dublin connect the improved relations between Dublin and Jerusalem to President Hayim Herzog's visit to Dublin in June. [Text] [Tel Aviv DAVAR in Hebrew 29 Dec 85 p 29] 12782

CSO:4423/77

KUWAIT

DEFENSE MINISTER DISCUSSES ARMS PURCHASES, MILITARY TRAINING

London AL-MAJALLAH in Arabic 18-24 Dec 85 p 23

[Article by 'Abdallah Al al-Shaykh: "AL-MAJALLAH Interviews Shaykh Salim al-Sabah al-Salim; Kuwaiti Minister of Defense: Modern Weapons Have Been Received and Army Has Begun Its Training on Them"]

[Text] Kuwait--The most interesting thing drawing the attention of the observers who keep up with Arab Gulf affairs is that Kuwaiti territories within range of the guns of Iraq and Iran, the two warring neighbors, have avoided getting themselves involved in the battles that have been going on for 5 years.

In a special interview with AL-MAJALLAH, Shaykh Salim al-Sabah al-Salim, the Kuwaiti minister of defense, said that his country views the beginning of the fifth year of this war with pain and regret. He pointed out the inundation of the area by weapons dealers, saying: "The only beneficiaries of this war are the weapons-manufacturing countries that want the war to continue so that they may reap the greatest possible material gains".

Though the Kuwaiti government is constantly concerned with the continuation of the war and with its proximity to the Kuwaiti borders, this government has begun to exert efforts to improve its military machine, which was at the bottom of the government's list of priorities before the eruption of the war, as it employs its political machine to score a victory embodied in avoiding the war despite all the attempts to get it involved.

The Kuwaiti efforts make it obvious that the picture has changed and that evident attention is devoted to the military aspect in financial appropriations and in government programs. The visit by Kuwaiti officials to the Soviet Union evoked a lot of speculation and interpretations.

On this issue, Shaykh Salim told AL-MAJALLAH: "Kuwait prefers not to rely on a single source for the purchase of weapons. The policy of diversification adopted by Kuwait is simply intended to save us from falling under the mercy of a single weapons source, regardless of what it is, especially in a time of need."

New Weapons

On the issue of the purchase of new weapons to strengthen the Kuwaiti army, the minister acknowledged to AL-MAJALLAH "the presence of new weapons deals," saying: "New modern weapons have been purchased. These deals will have a confidential character until the necessary procedures are completed." Shaykh Salim also pointed out that the weapons already purchased have been delivered to Kuwait and that the army has begun training on them.

The Kuwaiti minister of defense said further that an annual armament plan has been drawn up and that it includes a list of the country's needs to supply the defense corps and to bolster their ranks. The plan also takes into consideration training programs for those who will be trained in the use of the weapons.

AL-MAJALLAH asked the Kuwaiti minister of defense about Kuwait's plan to promulgate military conscription laws and he said that he asked to be familiarized with the military conscription laws of the countries that have also shown an interest in and have applied military conscription. The minister emphasized his personal interest in the issue but did not offer a clear idea on how to implement it in the context of Kuwait's demographic structure. It is worth noting that the GCC [Gulf Cooperation Council] referred to the question of studying the conscription issue so that conscription may include six member states.

The recent Muscat summit of the GCC leaders approved a concept of military cooperation, including the staging of joint exercises and the possibility of setting up military industries. Kuwait played an important role when it expressed its support for raising the military issues for study and by continuing its participation in the military exercises. The Kuwaiti minister underlined Kuwait's view of the GCC summits and the defense ministers' conferences, saying that the Gulf meetings and the GCC joint military exercises represent a future force. In these exercises, "preparations are being made to implement the major plan for defending the Gulf area's entity. We beseech God to preserve this area's security and stability which are characteristics of our countries."

In Kuwait, there are urgent questions concerning the army's role in defending the country. There are the circumstances of the small geographic area which limit the possibility of resorting to a long term war. Moreover, the small population amounting to 1.5 million, will cause the building of a big army to affect the other sectors which Kuwait succeeded in developing in the 1970's. It seems that Kuwait's military strategy is founded fundamentally on quality in choosing the war machine and on quality in selecting the individuals who manage it.

Special Quality

Technological quality is the best solution for Kuwait. Kuwait thus proceeded to look for more flexible markets for its weapons deals and intentionally turned its back on the U.S. weapons options when the Zionist lobbies in the

U.S. Congress expressed their initial objection to any Gulf deal when the Kuwaiti minister of defense visited the United States. The decision of the U.S. Department of Defense to divide the Gulf states into two categories insofar as U.S. weapons purchases are concerned further increased Kuwaiti resentment.

What point has the Kuwaiti army reached now? In response to this question, the Kuwaiti minister of defense said: "Kuwait's army is an indivisible part of the GCC states' armies. This army has, God be thanked, reached a strong level and it is prepared to defend the homeland."

Regarding training policy, he said: "Our policy is based on building the individual and, at the same time, on acquiring weapons. In other words, I do not accumulate weapons without the men to operate and deal with them."

Regarding Kuwait's role in continuing to avoid the ongoing war near its borders, the minister said: "This war, which is painful to all of us, must inevitably end, God willing, and must stop at this point."

The minister also said: "Kuwait, as well as the GCC states, continues its efforts to end the bloody fighting between the two Muslim states, to spare the blood of the innocent, and to find a solution to this destructive war because what is spent on this war should be spent on construction and education, instead of being spent on weapons purchases, in the country which needs such construction and education."

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CSO: 4404/176

VARIOUS PROBLEMS FACING COUNTRY EXAMINED

London AL-MAJALLAH in Arabic 25-31 Dec 85 pp 16-17

[Article by 'Uthman al-'Umayr: "Three Kuwaiti Concerns; Sabah al-Ahmad to AL-MAJALLAH: We Will Not Permit 'Lebanization' of Kuwait"]

[Text] Kuwait--There is between Kuwait and security a common denominator that hardly disappears before it reappears. Since this small state was founded as the product of a legitimate marriage between Arab tribes who had come from the central Arab Peninsula and from southern Iraq in search of life next to the Gulf, it has been living with a constant security concern. But this has never before crystallized as it is prominently and obviously crystallized today on street corners, in shops, and in major gathering places. It is now so crystallized that you feel as if you were inside enormous military fortifications.

But this manifestation is no longer surprising because you can notice it when standing next to al-Sayf Palace in which Shaykh Jabir al-Ahmad al-Jabir, the amir of Kuwait, and his brother Sabah al-Ahmad live. A number of other brothers have left this palace, which was built by former Amir Shaykh Ahmad al-Jabir in the 1930's, to live outside it. The present amir of Kuwait, who is well known for his life of asceticism and austerity and for steering clear of mere appearances, is still determined to live in this palace without introducing any architectural changes to it, except for what is dictated by circumstances.

Standing next to this palace, you can look afar with a pair of binoculars to see with your own eyes some manifestations of the Iraq-Iran war, which has entered its 5th year without a solution.

Within this framework of the feverish talk about the war, which has become a daily concern of ordinary Kuwaitis and officials, Shaykh Sabah al-Ahmad al-Jabir--the deputy prime minister, minister of foreign affairs, and acting prime minister, who received the delegation of the Saudi Research and Marketing Company, headed by the publisher Muhammad 'Ali Hafiz, at his office in the elegant Ministry of Foreign Affairs building--sees that "the fear lies in a transformation of the Gulf area into an arena struggle among the major powers because this area is and will continue to be the subject of interest by virtue of a vast oil stores that are vitally and strategically important to the world."

When we asked the most veteran minister of foreign affairs in the world and the one with most smiles, what is the solution then? He said: On our part, we have prepared for all eventualities. All we, the Gulf states, have to do is exert efforts to keep this area a peaceful one from which all can benefit.

At the time when Shaykh Sabah was talking to us with this customary simplicity that is engulfed in diplomatic intelligence, I was reviewing in my mind the course of his life as a politician who entered public life through the media, establishing numerous institutions such as the radio and television stations and the first Kuwaiti official paper, in addition to AL-'ARABI magazine, which is considered the biggest Arab magazine and for which all Arab doors, without exception, are open. This magazine is headed by a prominent Gulf individual embodied in Dr Muhammad al-Rumayhi.

I was also pondering the evident presence of Shaykh Sabah in Kuwait's internal life--a presence that has become distinctive, despite Shaykh Sabah's concerns as a prominent politician in the Arab area. Questions had to be asked about the identity and significances of this presence within the political action machine and within the divisions of the decision-making centers.

Shaykh Sabah said: "The truth is that everybody is busy. What is important is how one shoulders and carries out his duties as required by one's responsibilities toward the nation and the homeland."

We and Iran

Shaykh Sabah "evaded" the question intelligently and the talk then turned to the Iraq-Iran war and to the relationship with Iran, especially since it has been noticed that Kuwait has been excluded from Iranian Foreign Minister Ali Akbar Velayati's tour of Saudi Arabia and the UAE.

Shaykh Sabah said: "When I met with Minister of Foreign Affairs Velayati in New York, I invited him to visit Kuwait and he accepted the invitation with thanks and showed a clear understanding of our position."

Shaykh Sabah added: "I felt that the Iranian brothers had wrong information on the treatment of prisoners and of some members of the Iranian community. We were able to clarify many issues in this regard. We are a democratic state that lives under the canopy of the law. Under no circumstances will anybody be brought to account unless he has violated the law."

Issue of Hostages and of Kuwait's Prisoners

If the Western press and media are talking a lot about the hostages and about Terry Waite's endeavors to enter Kuwait to discuss the position of the hostages and their exchange for the seven prisoners [terrorists held by Kuwait], then the political circles in the State of Kuwait are paying no attention whatsoever to these endeavors. According to what a Kuwaiti political source told AL-MAJALLAH, "Kuwait believes that these efforts are fabricated and that their objective is to undermine Kuwait and its free democratic system which has preserved its sovereignty and protected its rights."

As to whether there are contacts between Kuwait and certain countries in this regard, the Kuwaiti source said that no contacts have taken place at any level and that Kuwait will not permit discussion of the issue because it is tantamount to intervention in its affairs and sovereignty. The informed Kuwaiti source went to add: "Yes, White did try to discuss the issue but we closed the door, and will keep it closed, in his face."

Democratic Concern

Kuwait's security concerns are only enlivened and strengthened by the concerns of democracy and of a free press as well as by the National Assembly's debates which are obviously heated these days. These months are the months of healing the Kuwaiti home and its internal situation.

Through the parliament's debates and noisy battles and through the issues raised on the pages of the press, the identity of the political and intellectual struggles in the area becomes obvious to the observer. In the National Assembly, there is a raging battle between the minister of education and a group of Assembly members. The enlightened minister, whose capability and integrity, qualities which are almost nonexistent among some ministers of most of the Third World countries, are attested to, wants to reform education. The reform sought has several aspects, the most important being refraining from enrolling students with low grade averages in the university. This will not please the fundamentalists nor will it please the deputies for election reasons. Therefore, the just cause of educational reform clashed with those who fear for their influence in the ministry and those who beg for the voter's votes.

As in all conferences and assemblies of the Third World, attendance at a single session of the National Assembly reveals to one the difference between two concepts. At the time you are listening to an intelligent speaker, such as Deputy Ahmad al-Rub'i, demonstrating his oratorical eloquence, his academic experience, and his political awareness, you find a group of deputies from the remote areas exchanging greetings and talking of concerns that have nothing to do with the session. At this particular session, the fundamentalists were careful to increase the presence of their supporters to give the deputies a psychological dimension and to influence them, according to what an educated Kuwaiti said. What the fundamentalists wanted happened and they voted against the minister. But the resolution was not binding on the government.

Will the minister resign first?

This is what many Kuwaitis fear because education will lose a man like Hasan al-Ibrahim.

The other issue is the amendment to Article 35 of the publication law. In case this article is amended, Kuwait will see a heavy flood of papers and publications because associations and other organizations will then be entitled to issue their own publications. This is why the government and its supporters are fighting so strongly that a prominent Kuwaiti official said: "We will not permit this law to pass. Should it pass, then Shaykh Jabir al-Ahmad, the amir,

will use his constitutional right to veto it." The truth is that this law, despite its glimmer, will increase the problems from which Kuwait is suffering. Free publication will open the door wide by turning the country into a struggle arena. This is what Shaykh Sabah al-Ahmad tried to stress when he said firmly: "We will not permit Kuwait to turn into another Lebanon."

The Kuwait press is another concern of the Kuwaiti regime and its freedom is an issue of give and take between the Kuwaiti government and numerous Arab governments.

Shaykh Sabah al-Ahmad believes that he does not have the power to compel the Kuwaiti press to publish what the government wants. But at the same time, he urges the Kuwaiti press to follow a policy of balance "because it is unreasonable, according to the Kuwaiti media's father, for our press to be turned into an arena of struggle between Arab political organizations and tendencies."

This view of Shaykh Sabah is shared by Shaykh Nasir al-Sabah, the minister of information. Shaykh Nasir is a personality with evident dynamism. In addition to his long experience in diplomatic activity as his country's ambassador in Tehran and Saudi Arabia, Shaykh Nasir studied in Switzerland and worked as an ambassador there. A great future of long progress toward important positions in the Kuwaiti administration awaits him.

Shaykh Nasir believes that there is hope that the Arab governments will realize that the Kuwaiti press does not even spare Kuwait's rulers. He cites as an example an article written by Ahmad Yusuf al-Nufaysi, the chief editor of the leftist AL-TALI'AH which was strongly influential in the 1960's, in which he attacked the ruling family through the role played by Shaykh Fahd al-Ahmad, one of the amir's brothers, and his refusal to obey and submit to the decisions made by Khalid al-Jumay'an, the minister of social affairs, on the ongoing disagreement between the two in connection with dissolving the Kuwaiti Soccer Federation.

Kuwait's Concerns Are Gulf's Concerns

Kuwait is talking of numerous concerns now that it has begun to recover from al-Manakh Market crisis and has begun to pick its way among numerous difficulties. These are, in fact, the concerns of the entire Gulf area. The sight of the Iraq-Iran war with all its consequences battle problems makes all put their hands on their hearts for fear of the outcome. The battle has expanded, the war includes all, and nobody can put a curtain between himself and this war. On the other hand, democracy has its negative and positive features in a tribal society that had exercised democracy in its inherited form. But then this democracy came to it wearing a different robe and this society is now trying to harmonize with an absorb this form of democracy.

Where does the security concern begin and how will it end?

How can security be established in a society comprised of various groups and different cultures and a society which, regardless of how strong it is cannot rid itself of its tribal roots and its multiple features?

The question is: How can one create a society that does not abandon its multiplicity and conservatism but rather subjugates them to make them civilizational?

To Dr Muhammad al-Rumayhi, the answer is simple: Dialogue!

Dialogue, in al-Rumayhi's view, is the real solution because it is an instrument of understanding, understanding an instrument of knowledge, and knowledge the gate to awareness. The pleasing thing is that the etiquette of dialogue has become largely audible in the Gulf societies.

Neither Kuwaiti's economy nor its oil, like the economy and oil of the other Gulf states, is well. Within this framework, Kuwait seeks to make the citizen understand this equation: It is unreasonable for the citizen to continue to stand idle under these bitter circumstances, relying on the state's hospitality and gifts. This is what Muhammad Yusuf al-'Adasani, the ex-speaker of the National Assembly who lost in the latest elections, believes. Citing an example, al-'Adasani said: "Electricity in Kuwait costs 35 fils and is sold for 2 fils."

Al-'Adasani added: "If we examine these obligations undertaken by the Gulf governments, we find on the other hand that the estimated deficit in the budgets of the Gulf states will range from 25-27 percent."

What preoccupies the Gulf citizen's mind?

The deep-rooted Kuwaiti diplomat and veteran parliamentarian rubs his hands: The biggest problem facing the Gulf citizen is affluence and worry! Yes, affluence and worry!

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SAUDI ARABIA

OPPORTUNITIES FOR GERMAN INVESTMENTS IN PETROCHEMICAL INDUSTRY

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German
3 Feb 86 p 2

[Article by Wolfgang Mueller-Haeseler: "Investors in Saudi Arabia Must Be Patient"]

[Text] Riyadh--The Saudi-German Development and Investment Co. Ltd. (Sageco) in Riyadh which was jointly established in 1982 by the Saudi Arabian ministry of finance and national economy and the German Development Corporation (DEG) believes that the German chemical industry has missed its opportunity to participate in the development of the Saudi Arabian petrochemical industry but that German industry may do so after all within the framework of the new 5-year plan which has just begun. This is the opinion recently voiced by Dr. Hartmut Rabich, the German managing director of Sageco in a conversation with economic journalists from the FRG.

Saudi Arabia likes to portray itself as an Eldorado for the processing industry, Rabich said; but the point is to take the special situation of the country into consideration. There is a viable infrastructure already and industrialization is no doubt continuing at a rapid pace. There are opportunities to go into production in Saudi Arabia in a variety of fields--the more so since only 15 percent of domestic demand is being met by domestic production. In addition, the government is firmly resolved to continue its support for the ongoing industrialization program by building petrochemical plants in the coastal cities of Jubail and Yanbo.

In view of the reduced revenues from oil exports, government expenditures in the new 5-year plan have been substantially cut, e.g. farm subsidies. But there is no doubt that the processing industry continues to be one of the focal points of the economic development program. 50 percent of the total budget of some 200 billion rials are earmarked for investments according to present plans.

Rabich termed it a step in the right direction that the Saudi Arabian authorities are taking a more flexible approach than before to their plans and programs. He was convinced, he said, that Saudi Arabia is able to hold its own which in turn, provides security to foreign investors.

But interested parties from abroad, who intend to build production facilities in Saudi Arabia, will also have to be able to hold their own. As a rule preparatory work takes an inordinately long time, if for no other reason than because available statistics are sketchy and not very reliable. For this reason, market analysis is a must--and Sageco can help with this. The analysis must not only include sales opportunities and cost structures but must also take local and climatic conditions into consideration. A study on aluminum window frames (which seemed to offer good chances for success in view of the construction boom in Saudi Arabia) came to the conclusion that this type of material is of no use whatever, because of the strong sun radiation.

The first step should therefore be a field study which provides an initial overview of potential opportunities. Both Sageco--58 percent of whose capital is provided by the Saudi Public Investment Fund and the remaining 42 percent by the DEG--and the banks and chambers of foreign trade can help in the preparation of such a study. The next step, according to Sageco, would be a feasibility study to be followed by a thorough analysis of the local and export markets which should focus on the actual location of the planned business venture. If the production capacity of the company exceeds the needs of the domestic market and that of the neighboring Gulf nations--which is likely to be the case--the long distances to be covered in transporting the goods to the export markets should be taken into consideration. At this stage, the potential investor should already be starting to look for the capital needed to realize the project. Once the necessary funding has been obtained and the amounts have been determined, a concluding management study can be undertaken. Based on the experience of Sageco in these matters, the entire process should take anywhere from 2½ to 3½ years.

After this lengthy preparatory phase, the technical and administrative side of the undertaking work rather quickly. The next phase which includes establishing contacts to the required Saudi partners (one should select one out of three), drawing up contracts, obtaining the necessary licenses and getting the company properly registered should take another 6 months, Rabich says, so that the entire preparatory phase should take about 4 years. In drawing up a partnership agreement, it has proved useful to set Saudi participation at 51 percent but to insist on an equal voice in the decision-making process. This not only improves the chances of obtaining licenses and getting the company registered (since there is a good deal of talk at present about the "Saudization" of industry) but also of getting the capital for the project.

As a rule, the financial plan calls for participation by the Saudi Industrial Development Fund which usually provides a 7-year, no-interest loan for one-half of the required capital. The foreign investor himself must provide 30 or at least 25 percent of the capital while third parties may provide the remaining 20 or 25 percent. It is here that the DEG can step in by providing a 10-year loan which includes a 4-year grace period.

Rabich makes no bones about the difficulties entrepreneurs from the industrialized nations may face in Saudi Arabia. But they can be resolved, he feels, if projects are prepared with sufficient care. One has to choose very carefully, he says. It is better to spend a long time on negotiations than to give in to temptation and the promise of quick results. But once a contract has been agreed upon, the Saudis invariably prove to be reliable partners.

One of the biggest obstacles is low productivity because the manpower is not sufficiently qualified. The government is aware of this problem and is making serious efforts to remedy it. Plans are to increase the productivity of the Saudi economy by six percent per year in the future--which is a very ambitious goal for a developing nation. Rabich points out, however, that other industrialized nations have been deterred by these initial difficulties to a far lesser extent than German industry. After all, there are some 350 producing joint ventures in Saudi Arabia at this time but only 12 of these include German participation. The chances being offered by Saudi Arabia are thus not being sufficiently utilized by any means.

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YEMEN ARAB REPUBLIC

FOREIGN MINISTER ANALYZES POSSIBLE EFFECTS OF OIL DISCOVERY

London AL-TADAMUN in Arabic 28 Dec 85-1 Jan 86 pp 14-15

[Interview with Dr 'Abd-al-Karim al-Iryani, minister of foreign affairs, by Khalil Matar: "Dr 'Abd-al-Karim al-Iryani, Yemeni Deputy Prime Minister and Minister of Foreign Affairs, to AL-TADAMUN: Yemen's Oil Will Not Enable It To Dispense with Brothers' and Friends' Aid"; in New York, date not specified]

[Text] New York--During his visit to New York to attend the U N General Assembly meetings, AL-TADAMUN interviewed Dr 'Abd-al-Karim al-Iryani, the YAR deputy prime minister and minister of foreign affairs, on Yemen's affairs while country is entering the oil phase.

[Question] In light of the oil discoveries announced in Yemen, can it be said that Yemen stands on the threshold of the oil-exporting countries' club?

[Answer] Yemen is still considered one of the less developed countries in the world. The latest U N classification puts Yemen in this list. There is no doubt that the discovery of a natural resource in any society has its economic and, consequently, social and political value. So far, Yemen is still a developing country and, in my view, will continue to be for many years to come in need of the brothers and the friends in the sphere of economic cooperation and aid. This emanates from the enormous backwardness we inherited from the imamate. It is true that the oil discoveries will somewhat alleviate the burdens shouldered by the world community toward a developing country. But it is also true that Yemeni society continues to be a developing society experiencing the obvious manifestations of the developing countries, such as meager resources, inadequate education, and inadequate basic utilities. It is not my intention to present a pessimistic picture but rather to remind ourselves that neither our brothers nor our friends nor the international organizations may think that Yemen is about to dispense with foreign aid and become rich. In my view, Yemen will continue to be in the coming decade in need of international cooperation to develop and enhance Yemeni society.

It remains to be noted that insofar as the oil discoveries made are concerned, our country's leadership has repeatedly said that this wealth, great or small, belongs to the people and must be exploited for the people's good. This is what we can reaffirm and tell all people.

[Question] But can it be said that Yemen will not need foreign aid in 10 years?

[Answer] In light of the economic relations prevalent in the world community at present, a country with the resources of the United States, for example, cannot dispense with economic cooperation. But as for the soft-term financial aid which the developing countries need and without which they cannot repay their foreign debts or commercial loans, the need for such aid differs from country to country. It is my belief that Yemen will continue to need soft-term aid, whether in the form of Arab funds or from the international organizations. But if we phrase the question as follows, you believe that Yemen will move from the circle of countries with the direst need for soft-term aid to the circle of countries that cannot dispense with commercial cooperation, then let us say that my answer is that we will pass from a need for aid to cooperation, meaning that in 10 years Yemen will move from the circle of aid to the circle of cooperation.

[Question] What is the negative or positive effect of the discovery of oil on uniting the two parts of Yemen?

[Answer] Yemen's unity is the Yemeni people's fate and destiny. We should not think that an event occurring in one of the two parts will affect unity negatively. The more economic strength, growth, and development one of the two parts achieves, the stronger and more developed becomes the unity action.

[Question] As long as we are on the issue of Yemeni unity, there are those who believe that cooperation between the two parts has declined to the protocol level, meaning that we see practically no progress toward practical unity. What is your comment on this?

[Answer] The decline you are talking about is groundless. The practical cooperation between the two parts is stronger today than ever before. Here are several examples:

First, the joint project to prospect for natural resources. This project is progressing at a good pace and with full cooperation. This requires eliminating and overcoming any difficulty, such as permitting aircraft to carry out aerial photography and to cross the airspace between the two parts and permitting technical teams to move between the two parts with ease.

Second, there is the joint land transportation company which has turned in a profit this year, thus reflecting a high degree of facilitation in the movement of citizens and goods and in the procedures required for this movement. It is well known that there was a time in which the movement of the Yemeni citizen from one part to the other seemed prohibitive. This used to happen many years ago.

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YEMEN ARAB REPUBLIC

RELIGIOUS CURRENT'S STRENGTH, ASPIRATIONS PROFILED

London AL-TADAMUN in Arabic 28 Dec 85-1 Jan 86 pp 12-15

[Article by Bakr 'Uwaydah: "Yemen's 'Brotherhood': Where to?"]

[Text] Finally, it has been proven that North Yemen's land conceals under it a wealth of oil that is capable for putting this country on the threshold of a new phase of stability and prosperity. At the same time, more than one observer believes not only that oil is running under Yemen's soil but that it seems, according to well-informed Yemeni sources to which AL-TADAMUN listened, that the Muslim Brotherhood is also moving underground in Yemen by virtue of its being "a crude arena ripe for disseminating the Brotherhood's ideas." AL-TADAMUN's sources say that this movement has its symbols and facades that do not present themselves as belonging to the Brotherhood but that work and move as leaders of the religious current which does not conceal its wish to Islamize Yemen in its own way. In this analysis, AL-TADAMUN published whatever information can be published on this important issue. We will follow this analysis with a series of dossiers on the Brotherhood and the religious currents in more than one Arab country.

On Sunday, 7 April 1985, the West Sanaa court in the capital of Yemen convened under the chairmanship of Judge 'Abdallah al-Warith to examine a lawsuit of a new kind to Yemeni judiciary circles. The case has also aroused the interest of political and intellectual circles in and outside Yemen, particularly among those who keep up with and observe Yemen's political conditions and the development of its system of government. Each of the two sides to the lawsuit has a professional side with a political dimension. The plaintiff is in the educational profession and its official name is the Religious Institutes. As for its political dimension, it is embodied in two points: First, it has a religious character and is known as the Religious Scientific Institutes. The second point emerges in the person of the number-one man in the administration of these institutes and the man representing them in this litigation. This person is Judge Yahya Lutf al-Fusayl (He was removed from the chairmanship of the educational institutes in transfers announced in Sanaa on 14 November 1985 when he was appointed a member of the Consultative Council. This was considered a step with significant political indications to those concerned with Yemen's affairs). Judge al-Fusayl is not an ordinary Yemeni personality but rather a person with a political heritage that is reflected in his positions.

To complete the story, the defendant is in the journalism profession, namely the weekly issued under the name of AL-AMAL. Its political dimension is embodied in two inseparable points, namely its political line and the person of its chief editor who is being sued in the case. AL-AMAL's political line is the political line of Sa'id Ahmad al-Janahi, its chief editor. He is one of those called by Yemeni political circles the "movement members," a reference to the Arab Nationalist Movement which flourished from the mid-1950's to the mid-1960's when it scattered into several factions and organizations which have followed the Marxist line ideologically and the Soviet line politically. Sa'id al-Janahi is one of the founders of this movement in Yemen. He was one of the leaders of a Yemeni organization known by the name of the Democratic National Front which opposed the North Yemen regime for several years, with the support of the South Yemen regime, until current President 'Ali 'Abdallan Salih was able to build bridges of dialogue with the various parties. As a result, AL-AMAL's publication began on 17 September 1980 as part of an inter-Yemeni reconciliation effort aimed at creating an atmosphere of stability and mutual trust between the two parts of Yemen. Moreover, the paper, sued by a religious educational establishment, is considered the leftist voice opposing the traditionalist current. This can be considered the core of the issue. The Educational Institutes Organization charges the paper with advocating infidelity and atheism, basing its charge on the allegation that the paper accused the educational institutes of training their students in the use of weapons in preparation for seizing power. This is what the organization rejects and considers a sort of attempt to incite the regime against the persons in charge of the organization. For its part, the paper published a series of investigative reports in which it raised the issue of the curricula taught at these institutes and urged government intervention to reconsider these curricula. The lawsuit concludes by demanding a compensation of 20 million Yemeni riyals (nearly \$5 million) for the organization, as well as its closing and a prohibiting against publication.

The importance of this lawsuit (which is still in court) is that it has been considered by those concerned with Yemen's affairs a step that moves the struggle between the leaders of North Yemen's political religious current and their opponents to a phase whereby it seems that this struggle is about to explode in forms going beyond the form of intellectual struggle to what is more serious. Before we wade into further details, we are faced by the question: Why is there the linkage between the political religious current and the Religious Educational Institutes Organization, and is this political religious current an extension of the Muslim Brotherhood movement existing in more than one Arab country?

Observers of the political religious current's activity in Yemen say that the ban on political activity in the country motivated this current's leaders to think of creating organizations through which they can organize their ranks and work within a framework of legitimacy. One of the most important organizations which the religious current's leaders have been able to create in Yemen is the Religious Educational Institutes Organization which is only superficially tied to the Ministry of Education, considering that the ministry does not intervene in preparing these institutes' curricula and that these curricula are drawn up by certain persons, most of whom are well known

for their belonging to the traditionalist religious current. However, it is not decisively clear if there is an underground organization following the Muslim Brotherhood and including these persons.

The establishment of these institutes dates back to the period immediately following the end of the Yemen war, i.e., when the government was established in favor of the republican system. When first established, these institutes received attention and care from the regime by virtue of the fact that they included personalities that had been well known for their position of rigid hostility to the republican regime. For its part, this regime has been eager to attract these personalities and to win their friendship. Foremost among these personalities is judge Yahya Lutf al-Fusayl.

Who is Judge al-Fusayl?

Until his appointment as a member of the Consultative Council, Judge al-Fusayl was, as we have already pointed out, the chairman of the Religious Educational Institutes Organization. One of the reasons on which those who view this organization as a facade of the political religious current, and perhaps of the Muslim Brotherhood, rely lies in the man's political background and heritage. Judge al-Fusayl's background says that he was one of the men who led the fight against establishing a republican regime and who tried to perpetuate the imamate's rule. In this regard, he held during the Yemen war the military command of what was known as the Bani Matar Front. He was a member of the imamate council during the war and then headed this council on the eve of the Egyptian forces' withdrawal and the start of the Sanaa blockade in November 1967. Moreover, he held the position of minister of justice in the imamate (referring to rule by the imam) government formed during the war.

The observers say that the religious educational institutes flourished under the republican regime during Judge 'Abd-al-Rahman al-Iryani's presidency (November 1967 to June 1974) and then declined under the administration of Lieutenant Colonel Ibrahim al-Hamdi who tried to mix many equations when he displayed extraordinary enthusiasm for uniting North and South Yemen--an enthusiasm that reached the point of his sudden announcement of unity with Aden. But al-Hamdi's assassination and the assumption of power by al-Ghashmi restored to the religious educational institutes the glow which they had lost under al-Hamdi's administration. These institutes now exceed 100 in number.

It is the estimate of some people that the number of active individuals within the religious current--individuals who perhaps form the nucleus of the Muslim Brotherhood branch in North Yemen as an underground organization--does not exceed 10,000 people. These people add that the religious political current projected itself as a Yemeni organization under the name of the Islamic Front which was supported by the regime in the face of the opposition front that was operating under the name of the Democratic National Front. However, the inter-Yemeni reconciliation achieved under the administration of current President 'Ali 'Abdallah Salih opened the path for the formation of a committee named the National Dialogue Committee and was comprised of representatives of all Yemeni political currents, including the religious current. This committee drew up the national charter bill and this charter has been adopted as a formula

for the political action in which all the political currents participate. But what arouses the concern of some Yemeni circles in that the traditionalist religious current in Yemen is still operating outside this formula's framework. These circles fear that this current's members are in the phase of organizing themselves in an underground organization operating to attain power and to declare Yemen a state similar to Khomeyni's Iran.

These circles rely on the investigations conducted with the leaders of al-Jihad Organization in Egypt in 1983--investigations which revealed that the general command of the Muslim Brotherhood looks forward to taking advantage of the fact that North Yemen is an "arena ripe for the dissemination of the Brotherhood's ideas, especially since the Yemenis cling to religion and since it is not difficult to attract a large number of students and workers to the ranks of the Muslim Brotherhood as an organization with a religious character and whose political objectives may not be clear to many young people."

It remains to be pointed out that the most prominent personalities referred to nowadays in North Yemen as leaders of the religious current, which is believed to be an undeclared organization of the Muslim Brotherhood, include, in addition to Judge Yahya al-Fusayl, Yasin 'Abd-al-'Aziz Qabati, who is said to be concerned with organization affairs, and lawyer Hammud Hashim al-Dharihi, who is litigating for the Institutes Organization in the lawsuit against AL-AMAL paper, in addition to a number of personalities affected by the recent changes, announced on Thursday, 14 November 1985. These personalities include Ahmad al-Asbahi, an ex-minister of labor and social affairs; Ahmad al-Akwa', a former mayor of the capital; and 'Abdallah al-'Ansi, a former chairman of the Central Control Agency. Some also believe that the paper reflecting this current is AL-SAHWAH, issued by Muhammad al-Yadumi, who is also its chief editor.

The question raised at Yemeni gathering these days is: Where will the symbols of Yemen's religious current reach? Are they really preparing to Islamize the government in their own way or will Yemen, which stands at the threshold of a new phase of prosperity and self-reliance in the wake of the reconstruction of Ma'rib Dam and of the discovery of the oil wealth, surpass all the snares planted on the path? This is a question to be answered by the coming days.

8494/12951
CSO: 4404/177

CITY OFFERING EVERYTHING FOR A PRICE

Bangkok BANGKOK POST in English 16 Feb 86 p 20

[Article by Nikolaus Prede in Kabul]

[Text] "THERE'S nothing you can't get in Kabul," says the Afghan interpreter, "and he's not exaggerating."

This city of two million is still a teeming oriental bazaar eight years after the People's Democrats of Babrak Karmal took over, and despite the Soviet presence.

Throughout the maze of streets and alleyways people are haggling and doing deals. Trade is booming and the range of goods seems endless.

Spices, flatbread, sex videos, German washing powder, French perfume, exquisite Swiss watches, Japanese televisions all mix up with the karakul sheepskins, Yugoslavian and American cigarettes, Scotch whisky and Chinese jasmine tea.

The unexpectedly vivid picture gives little hint of the hardship that followed the 1978 revolution or the path being steered by Karmal's 143,000-member People's Democratic Party.

And it's in stark contrast to the grey of Moscow, the voice behind the throne of Karmal's regime today.

It's a weird sight for a visiting German to see vans passing down the streets here with "Waeschendienst Scholz" or "Firma Nagel" on the side.

They're among the hundreds of second hand vehicles driven 5,000 kms from West Germany via the Soviet Union down here where they fetch a high price and the last thing anyone thinks of is to paint out their

original markings.

Japanese, Soviet, French and American cars and trucks are also here in abundance. If you ask how this can be in a Marxist state you'll get a ready reply from Khan Mohammed Jalab, the trade minister who's held on to his post through four government changes.

Between 75 and 85 per cent of all internal Afghan trade is carried out in the private sector, he says. That's the wealth of wholesalers, smaller dealers and retailers who ply their trade not just in the bazaars but throughout the city, day in, day out.

If you can't afford a shop you set up a stall, use a hand cart if not a truck, an old shipping container if not a warehouse. A barber in Kabul is in business if he's got a razor. The street's his shop.

"We don't want to break with this tradition, and we shan't give up the private sector," Jalab told a gathering of international reporters here.

The sense is clear: the army of private traders plays a big part in keeping Afghanistan's weak economy on its feet.

Private business also plays a big role in foreign trade, accounting for something like 45 per cent, and with the US dollar, the West German mark and the British pound in particular favour.

Jalab says the state does not ban possession of hard curren-

cies. In contrast to the strict currency regulations in the Soviet Union, anyone in Afghanistan can do deals in marks, pounds or whatever.

Sixty per cent of foreign trade is with the Soviet Union. Top among the non-communist states is Japan, which Jalab says exports goods worth \$500 million a year to Afghanistan, taking in return Afghan goods to the value of only \$150 million.

The Afghan regime accuses its Pakistani neighbours, backed by the US, of being the main fomenters of hostility against Kabul, but that doesn't stop considerable trade between the two.

For landlocked Afghanistan, Pakistan remains the most important trading partner in the region.

Taking a heavy slice of the trade are Patoon border area tribesmen who for years have earned a reputation for smuggling, bringing their heavily-laden camels in from Pakistan. Jalab prefers the term "traditional tribal trade" to smuggling.

No one knows what value of goods they deal in, but the official figure for imports from Pakistan last year was \$30 million.

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CSO: 4600/224

Two-thirds of Afghanistan's foreign trade is done via the Soviet Union. This, says Jalab, is because the transport route is particularly convenient.

Afghanistan's inflation rate in 1985 was 20 per cent, he says a rough figure in a country where the average annual income is only 7,000 afghani, or less than \$150 (about 4,000 baht).

It means that while there's nothing you can't get here, the price is well beyond what ordinary people can pay. A can of beer in a luxury hotel here, for instance, costs \$7 (about 190 baht).

Many of Kabul's population live in simple, unheated mud houses unconnected to any sewerage system. For these people the prices of luxuries are prohibitive — 120 afghanis, or around \$3, for a kilo of oranges in winter, 160 afghanis for a kilo of lamb, 80,000 afghanis — over 11 times the average annual income — for a big Japanese colour television. — dpa

AFGHANISTAN

BRIEFS

REBEL ACTIVITIES REPORTED--London, 10 February IRNA--A Karmal regime paramilitary camp in Narang of Konarha Province was ambushed on 1 February. The Mujahideen led by commanders (Fazal-e-Rabi) and (Fida Mohammad) set the camp ablaze as a result of which two tanks were destroyed and a number of paramilitary troops were killed, AGENCY AFGHAN PRESS reported here. The following day Russian troops in retaliation bombarded (Ganjgal) and Nawah villages causing destruction as well as killed livestock. [sentence as received] In a separate incident a week ago another guerilla group of Mujahideen attacked Saukai sub division and the village of Pashshad. The sub division building caught fire after it was hit by rocket. Sixteen Kabul regime soldiers were killed. [personal, place names in parentheses IRNA spelling as received] [Text] [Tehran IRNA in English 1724 GMT 10 Feb 86 LD] /12913

CSO: 4600/223

REPORTAGE ON BANGLADESH-PRC JOINT COOPERATION COMMISSION

Agreed Minutes Signed

Dhaka THE BANGLADESH OBSERVER in English 20 Jan 86 pp 1, 8

[Text] Bangladesh-China Joint Commission on economic trade, scientific and technical cooperation on Sunday signed an agreed minutes reaffirming the desire of the two countries to further develop their close relations.

The visiting Chinese Minister for Chemical Industry, Mr Quin Zhongda and Finance Minister Adviser Mr M. Syeduzzaman, signed the agreed minutes in Dhaka on behalf of their respective governments at the end of the three-day second session of Bangladesh-China Joint Commission. Both sides agreed to hold the next session of the joint commission at Peking in the first half of next year. The first session of the joint commission was held in Peking last September.

Talking to newsmen after the signing of the agreed minutes, Mr Qin Zhongda who led the 10-member Chinese delegation to the second session of Bangladesh-China Joint Commission said "we attach great importance to the steady growth of relations between our two nations." He observed that the existing trade gap between the two countries was not a "major problem in our overall economic relations." He assured of sending a team of experts from China to undertake a study of Bangladesh's mineral resources.

Mr Syeduzzaman who led Bangladesh's side at the Joint Commission session disclosed that China provided about 130 million dollars in financial assistance to Bangladesh over the last few years. Bulk of this assistance, he added, went to Polash Urea Fertilizer Factory and Sunderban Textile Mills. He informed that 20 million dollars of the Chinese assistance still remained unused.

The two sides agreed to explore possibilities of cooperation in respect of transfer of technology in various sectors. The joint commission discussed various measures for increasing exports to China from Bangladesh to bridge up the trade imbalance.

The Chinese delegation expressed their willingness to explore the possibilities of cooperating in different development projects in the Third Five-Year Plan

of Bangladesh after conducting feasibility studies on case by case basis. Bangladesh requested for Chinese assistance in mining and exploration of coal deposits at Barapukuria and development of sericulture. Bangladesh also proposed a number of new projects under its Third Five-Year Plan like Polash type urea fertilizer factories; soda ash plant; caustic soda and chlorine plants; power distribution projects between east and west zone.

Joint ventures

The two sides agreed to facilitate joint venture collaboration in the fields of leather processing, light engineering, textiles, fishing, spinning and other small projects. Both sides agreed to sign an agreement for the construction of mini-hydro plant at Madhab, Sylhet as early as possible. The two sides also agreed to make efforts to complete Rupganj north water conservancy project. They reviewed the progress of the preparatory work for construction of Buriganga bridge.

Both sides discussed issues relating to implementation of Bangladesh-China maritime transport agreement and air transport agreement. They decided to undertake study tours and exchange of experiences in the two countries under scientific and technical cooperation agreement.

The Chinese Minister thanked the Government of Bangladesh for supporting China's membership in the Asian Development Bank. Bangladesh side hoped that the joining of China in ADB would contribute to greater South-South cooperation.

The joint Press release issued after the talks said that the joint commission session was held in a very warm and friendly atmosphere reflecting close relations between the two countries.

BSS adds: Mr Qin Zhongda called on Commerce Minister Kazi Zafar Ahmed at the latter's office on Sunday.

During the meeting the Commerce Minister recalled the very cordial trade talks held in Peking last month between him and his Chinese counterpart, an official handout said.

The Chinese Minister congratulated the Bangladesh Commerce Minister for the very successful trade negotiations which resulted in the biggest ever barter protocol. He assured Mr Ahmed of all cooperation from the Chinese side in its timely and full implementation.

Interview with Delegation Leader

Dhaka THE NEW NATION in English 24 Jan 86 pp 1, 8

[Article by Matiur Rahman]

[Text] China will implement all the projects already committed by her in Bangladesh under bilateral cooperation for further growth of relations between the two friendly countries.

Talking to this correspondent exclusively yesterday before departure for home, Mr Qin Zhongda, Chinese Minister for Chemical Industry and leader of the 10-member Chinese delegation, said what we have agreed we will implement.

The Chinese minister described his visit as very successful and said he and his delegation members had talks with wide circle of people representing various fields like trade, commerce, banking and industry in Bangladesh with a view to promoting bilateral cooperation.

Mr Qin Zhongda, an elderly member of the Chinese party central leadership, led his country delegation to the three-day meeting of the Bangladesh-China Joint Commission in Dhaka and said the agreed minutes was signed on Saturday at the second session of the meeting following successful discussions between the two sides. Finance Adviser M. Syeduzzaman led the Bangladesh delegation at the meeting of the Joint Commission that was set up in 1983.

The Chinese Minister said his delegation had elaborate talks with the Bangladesh side under the Joint Commission for economic, trade, scientific and technical cooperation.

During the 8-day visit to Bangladesh, the Chinese Minister called on President Lt Gen Ershad and met a number of ministers and exchanged views with them on various issues of common concern.

According to official sources, the two sides at the Joint Commission meeting in Dhaka agreed to undertake various industrial projects like leather processing, textile finishing, light engineering and other small industries in Bangladesh with Chinese assistance.

The Joint Commission had its first meeting in Beijing in 1984 and is expected to have its third and next session again in Beijing by the middle of next year.

Mr Qin Zhongda was also happy to participate in the commissioning of the Polash Urea Fertilizer Factory that was set up with Chinese assistance. President Ershad inaugurated the factory on January 20.

China also extended cooperation by providing both technical and economic assistance for setting up of the Sundarban Textile Mills earlier, and has already undertaken another project for constructing "friendship bridge" over the river Buringanga to connect the capital city of Dhaka with the other side of the river. Mr Qin Zhongda also visited the bridge-site during his stay.

China has also agreed to help in the 50-mw hydro project at Madhab in Sylhet.

Mr Qin Zhongda was happy to enjoy the scenic beauty of Kaptai Lake on which he and his delegation members had cruise during two-day visit to Chittagong and Chittagong Hill Tracts. "It is really a beautiful place," he remarked.

He praised Bangladesh people for warm and cordial welcome accorded to him and his delegation during the visit and conveyed message of goodwill on behalf of the people of his country to the friendly people of Bangladesh.

The Chinese minister left Dhaka yesterday for Bangkok enroute to Beijing at the end of his 8-day visit to Bangladesh. Commerce Minister Kazi Zafar Ahmed besides senior officials was present at the Zia International Airport to bid farewell to the Chinese minister and his delegation.

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CSO: 4600/1402

BANGLADESH

SRI LANKA, DHAKA MINISTERS DISCUSS BILATERAL RELATIONS

Dhaka THE BANGLADESH OBSERVER in English 14 Jan 86 pp 1, 8

[Text]

Foreign Ministers of Bangladesh and Sri Lanka at their official talks in Colombo on Monday discussed the entire gamut of bilateral relations and underscored the need for expanding economic cooperation between the two countries a Foreign Office Press release said reports BSS.

Foreign Minister Mr Humayun Rasheed Chowdhury and his Lankan counterpart, Mr. A.C.S Hameed led their respective sides at the talks.

The two sides noted that the momentum of cooperation created with the founding of SAARC at the Dhaka summit had provided tremendous opportunities to build wider economic cooperation.

The fields which drew attention of the two Foreign Ministers at the talks include collaboration in export-oriented industries, technical cooperation, shipping, direct air link and trade the Press release said.

The two sides laid special emphasis on the need for airlinking of the capitals of the two countries.

It was agreed that Bangladesh and Sri Lanka would meet at the expert level to identify the possible areas of cooperation. They reviewed the existing level of trade between the two nations and found that there was enough scope for further

expansion of trade to a substantial degree.

During the talks Mr. Chowdhury said, Bangladesh could gain from the experience of Sri Lanka for developing coconut plantation and coconut-based industry.

Bangladesh, the Foreign Minister said, is in a position to sell finished jute products to Sri Lanka at an internationally competitive price.

The two Foreign Ministers noted with satisfaction that the momentum of SAARC would usher in a new era of peace, stability and economic progress.

They expressed concern and dismay over international situation and mentioned that the situation in Afghanistan and Kampuchea and the growth of superpower rivalry in the Indian Ocean had a direct bearing on the peace and stability in the region.

The situation in West Asia, the Iran-Iraq war, and the deteriorating international economic situation also came up for discussions the Press release said.

The Bangladesh side at the talks was assisted by its High Commissioner in Colombo Mr. A.H.F.K. Sadique while the Sri Lankan Foreign Minister was assisted by Foreign Secretary Mr. W.T. Jayasinha.

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CSO: 4600/1396

BANGLADESH

SOVIET AMBASSADOR DISCUSSES RELATIONS WITH DHAKA

Dhaka THE NEW NATION in English 6 Feb 86 pp 1, 8

[Text] Soviet Ambassador to Bangladesh V.G. Baliaev yesterday said that his country was having excellent friendly relations with Bangladesh and considered all of its people as friends.

But he complained that most Bangladeshis had almost forgotten the Soviet Union's role in 1971 during the war of independence because of the media which feeds fictitious information drawn from western sources, about his country.

The ambassador's remarks came at a press briefing at the Soviet Embassy Club.

The smiling Soviet diplomat who often entered into arguments and counter arguments with newsmen said that the media in Bangladesh, barring a few exceptions, had been portraying the Soviet Union's role in Afghanistan as an aggression. This was contrary to the actual picture, he said, adding it was similar to Bangladesh situation in 1971. "You had aggressors from the Pakistan and the Soviet Union helped defeat them. On the basis of a friendship treaty the Soviet troops went in aid of its friends in Kabul in 1979 to fight aggressors. He stoutly denied that it was an invasion.

Mr Baliaev, after a lengthy prepared statement on Soviet Union's role in the context of its stand for peace and disarmament on the occasion of the forthcoming 27th congress of the Soviet Communist Party, said that his country's commercial sales of weapons were based on "reality" and meant for friends. He refuted a suggestion that it was one of the obstacles to world peace.

The Soviet Ambassador avoided directly answering a number of questions on whether the invasion of Afghanistan was in accordance with Leninist principle as the late Soviet leader stood for non-interference in others' internal affairs or 'export of revolutions' and promotion of peace, as expounded by his country. When a newsmen wanted to know if Soviet 'friends' in Dhaka staged an "Afghan type revolution" and seek Soviet help, what would be his country's reaction. The ambassador said that it was a hypothetical question and that "Soviet Union does not believe in exporting revolutions of interference in other countries' internal affairs."

The ambassador referred to Soviet help to Bangladesh in developing its energy sector, particularly the proposed expansion of the Ghorasal power project which ultimately is likely to have 740 megawatts capacity, the biggest in the sub-continent, the recent sale of 25 thousand tons of sugar, the proposal to build Rupsa bridge and purchase of garments "following quota from your other friends" and said there were some of the examples of Moscow's efforts to help develop Bangladesh economy and promote peace and friendship with developing nations.

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CSO: 4600/1405

REPORTAGE ON FOREIGN MINISTER'S 22 JAN PRESS CONFERENCE

Stand on Libya, Other Matters

Dhaka THE NEW NATION in English 22 Jan 86 pp 1, 8

[Text]

Bangladesh has no intention to participate in the economic sanctions against Libya as called by the United States on the charge of terrorism, Foreign Minister Humayun Rasheed Choudhury said in Dhaka yesterday.

He told a questioner, "there should not be any concern and we are not participating in any sanctions nor we have any intention to participate."

On return home Sunday night from a 17-day tour that took him to Morocco, West Germany, Sri Lanka and the Maldives, the Foreign Minister was giving a brief resume on his visit to the newsmen at the Foreign Ministry.

Mr Choudhury denied that there was any approach by the United States for participating in the sanctions saying, "it has to meet our criteria. He said no when asked whether Libya sent any request to Bangladesh.

He said the United States, "is a friendly country and it has its own criteria. He also described Bangladesh's relations with Libya as good and normal."

The Foreign Minister called for "restraint" by both the United States and Libya so that peace was not thwarted.

"We are examining the implications of the US sanctions against Libya from the Bangladesh point of view be said and added other countries including the European allies of the United States were also examining the sanctions.

Answering a question on the Libyan claim of non-involvement in the incidents of Rome and Vienna and the subsequent US position, Mr. Choudhury said, "we are in the process of investigation of the development."

The Foreign Minister told a questioner that a declaration was made from the chair at the Islamic Foreign Ministers' Conference in Fez in Morocco on the imposition of the US sanctions against Libya.

He said the OIC Foreign Ministers' Conference reviewed the situation prevailing in Middle-East, Afghanistan, Iran-Iraq war, and said the developments pertaining to Libya and the United States on the incidents that took place in Rome and Vienna.

The Fez conference reiterated its call for withdrawal of the forces of "the occupying power from Afghanistan, he said:

On the prolonged Iran-Iraq war Mr Choudhury said Iran had officially appreciated the efforts initiated by the OIC peace mission of which Bangladesh is a member for ending the fratricidal conflict. He described Iran's acknowledgement as 'a positive development' and said 'we have been trying to bring an end to the useless war.'

Asked about the problems being faced by the OIC peace mission the Foreign Minister

said there was 'growing tendency' among the member countries of accusing each instead of showing unity among them.

Mr Choudhury stressed the need for finding 'a unified position' by the OIC member countries in order to deal with the problems facing the Muslim world.

Asked about his planned but postponed visit to Tehran immediately after the Dhaka visit of the Iranian Foreign Minister on the war issue, Mr. Choudhury said 'if I am convinced that my visit to Tehran will bring constructive results to end the war. I will visit Iran.' He also described Dhaka's relations with Tehran as "good" and said 'we are in touch with the Iranian government through the missions in Dhaka and Tehran.'

On his visit to the Federal Republic of Germany, Mr. Choudhury said he had talks with his German counterpart on various international issues concerning both the countries including the North-South dialogue.

The Foreign Minister said there was no follow-up actions of the Cancun summit for increasing cooperation between the developed and the developing countries. During his Bonn visit, he sought cooperation of the German government for the development efforts in Bangladesh.

In this regard Mr. Chowdhury mentioned that West German President would pay a state visit to Bangladesh, first ever by an FRG head of state next month and that would help further strengthening the friendly relations between the two countries.

Besides his talks with the German Foreign Minister, Mr. Chowdhury also met the German President during his visit.

From Bonn Mr. Chowdhury flew to Colombo to begin his official visit to Sri Lanka and had talks with Foreign Minister A.C.S. Hameed on bilateral matters. Both Bangladesh and Sri Lanka being members of the SAARC reviewed the post-summit developments in the South Asian region.

He and the Sri Lankan Foreign Minister discussed the possibilities of direct air links

between Dhaka and Colombo and said, "the issue was being considered at the highest level now."

Mr Chowdhury said President Ershad was likely to pay a state visit to Colombo in near future and the date was being finalised according to the convenience of the two government after the postponement of the earlier scheduled visit in 1983. He also called on Sri Lankan President during his visit.

The Foreign Minister later visited Male, the capital city of the Maldives and had 'fruitful talks' with his counterpart Mr. Fatullah Jameel on bilateral matters besides other regional issues under the SAARC.

Mr Chowdhury had detailed discussions on expanding bilateral cooperation and trade with both the foreign minis-

ters of Sri Lanka and the Maldives in Colombo and Male and they were equally keen to have increased bilateral trade and cooperation through the regional forum 'SAARC.'

The Foreign Minister told a questioner that President Ershad would undertake a post-summit visit to all the SAARC countries adding "some would be working visits and some state visits."

Mr. Chowdhury also faced a volley of questions on internal politics as he himself is a president member of the government party, Jatiyo Party.

Mr Chowdhury evaded a number of political questions put by the newsmen saying laughingly "I was away from the country for 17 days and better you can tell me the developments."

Immigrants from Assam, British Attitude

Dhaka THE BANGLADESH OBSERVER in English 22 Jan 86 pp 1, 8

[Excerpts]

Foreign Minister Humayun Rasheed Chowdhury on Tuesday said that Bangladesh would throw out anyone illegally coming inside its border from Assam. He was talking to newsmen at the Foreign Office on Tuesday after his return home from attending the 16th Islamic Foreign Ministers conference in Morocco.

Giving his reaction at a Press conference on the recent comment by the Indian Home Minister regarding pushing of post-1971 Bangladeshi immigrants from Assam the Foreign Minister said "We shall throw out each one of them". He categorically denied about the existence of any Bangladeshi immigrant in India after 1971.

The Foreign Minister said that millions of people had to go to India from Bangladesh during the War of Liberation in 1971 but they all returned home after independence and that was confirmed by the late Indian Prime Minister in the Indian Parliament in 1972. He observed that no Bangladeshi would like to become an illegal immigrant in Assam as life in Bangladesh was

still more convenient and attractive. He questioned why people from Bangladesh should go to Assam while they could earn more in Middle East and other places.

Foreign Minister Humayun Rasheed Chowdhury on Tuesday said that Bangladesh steadfastly stood for the unity of the Muslim Ummah & she had no intention to participate in the sanctions by the United States against Libya.

Bangladesh, he added, was with the UN sanctions against South Africa.

The Foreign Minister termed the question regarding the possibility of any attack on Libya by the United States as hypothetical. He said that Bangladesh was always against any type of aggression.

Referring to the discussions at the 16th ICFM meeting Mr. Chowdhury said that the demand for withdrawal of the 'occupation army' from Afghanistan, an end to Iraq-Iran war and a united move to resolve all the problems among the Muslim countries dominated the Fez

declaration. He stressed the need for strengthening the OIC for tackling the problems and challenges facing the Muslim countries.

Blood test humiliating

Asked to comment on the British plan for blood tests for issuing entry certificate to the dependents of Bangladeshi immigrants in the UK, the Foreign Minister rejected this idea as "unrealistic and humiliating". He termed this proposition as an "invasion of privacy and a violation of the UN Charter on Human Rights".

The Foreign Minister described his visit to West Germany, Sri Lanka and Maldives as fruitful. He informed that the West German government had assured him of continuing their support to the development work

in Bangladesh. He said that the Dhaka-Bonn relations would further be consolidated by the first ever visit by a German President who is coming here next month.

In Sri Lanka he called on President Jayewardene and discussed with Sri Lankan Foreign Minister about the feasibility of establishing direct air link between Dhaka and Colombo. Referring to his talks with his counterparts in Sri Lanka and Maldives, he said that both the countries were eager to further expand cooperation with each other through SAARC.

In reply to a question the Foreign Minister said that President Ershad had plan to visit all the capitals of the SAARC countries during his tenure as the first Chairman of SAARC, the dates of the visits would be worked out.

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CSO: 4600/1403

BANGLADESH

MALAYSIAN DELEGATION LEADER MEETS WITH PRESS

Dhaka THE BANGLADESH OBSERVER in English 26 Jan 86 pp 1, 10

[Text]

Bangladesh and Malaysia have identified new areas of cooperation in fields of joint ventures and trade promotion. The joint ventures between the interested parties of the two countries are expected in areas such as palm oil processing and processing of rubber products.

This was disclosed at a Press conference at a city hotel in Dhaka on Saturday by Mrs Datuk Paduka Rafidah Aziz, Malaysian Minister for Public Enterprises. Mrs. Rabeya Bhuyan, Minister for Social Welfare and Women's Affairs, was also present at the Press conference.

Summing up the outcome of her six-day visit as the leader of a 20-member Malaysian delegation to Bangladesh, the Malaysian Minister said that the visit had succeeded in identifying the areas of action for forging closer bilateral relations between the two Muslim countries.

Relying to a question, Mrs Rafidah Aziz observed that detailed feasibility studies would be needed before any decision about joint ventures and investments was taken.

She said that the trade delegation accompanying her, achieved success in discussing and negotiating the possibilities for bilateral trade promotion and industrial cooperation.

About the palm oil imports and quality aspects of the same, the Malaysian Minister observed that 80 per cent of palm oil imports by Bangladesh from

Malaysia were at present being routed through the third countries. Direct off-take of palm oil from Malaysian sources would not only improve trade relations but also ensure on the elimination of any possibility of supply problems and quality discrepancies she felt. She also suggested for establishment of direct shipping services between the two countries on a regular basis.

Relying to a question on the immediate prospects for manpower exports from Bangladesh for the agricultural sectors in Malaysia, the Minister said that the Malaysian economy was experiencing now an acute problem of unemployment both because of domestic recession in some sectors and reverse migration of Malaysian labourforce from Singapore as a fallout of the troubles in Singapore economy. "We have to accommodate our unemployed labour force first", she said.

About imbalances against Bangladesh in its bilateral trade with Singapore, she said that her delegation pursued the possibilities of importing a number of products especially potatoes, fresh vegetables, marine products, tea and newsprint from Bangladesh. She emphasised the need for consistency and regularity of supply of such items from Bangladesh. She also noted that there was a potential market in Malaysia for jute products, particularly carpets, and felt that the reduction of the import duty on jute carpets from 40 per cent to only 10 per

cent by the Malaysian government would provide the impetus in this context.

The Malaysian Minister stressed the need for more aggressive promotional and marketing effort by the exporters in Malaysia.

Referring to the divers range of discussions between the two sides, she noted that there was a wide scope for cooperation between the two countries through joint-purchasing of raw materials and joint marketing of products to obtain better export prices and ensure lower import costs. Such cooperation, she pointed out, is envisaged between the trading houses of Malaysia such as Mitco, Mattrra and the TCB.

About technical cooperation, she said that the National Petroleum Company of Malaysia, Petronas, had agreed under the Malaysian Technical Cooperation Programme (MTCP) to accept personnel from Bangladeshi Petroleum Corporation (BPC). The Malaysian Ministry of Public Enterprises has also extended an invitation to the officials of Bangladesh to study and exchange experiences on the monitoring of public enterprises.

Mrs. Rafidah Aziz commended the women leaders and social workers in Bangladesh for their works at improving the status of Bangladeshi women particularly those in the rural areas. She noted that there were obvious similarities between Bangladesh and Malaysia in the efforts to integrate women in the development process.

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CSO: 4600/1410

HOLIDAY INTERVIEW WITH BEGUM ZIA REPORTED

Dhaka HOLIDAY in English 17 Jan 86 pp 1, 8

[Article by Kazi Montu]

[Text]

BNP Chief Khaleda Zia has announced the reconstituted national council and national executive committee of the party at a time when it stands at the crossroads of its destiny.

The party still remains confronted with the questions as to whether its leaders will be able to build it as a strong and consolidated party or will it perish in the course of time due to onslaughts from outside it and intra-party intrigues.

Khalada Zia alleges that her "party is the only target of this government since the party is deeply rooted in the masses in every nook and corner of the country. This government believes that it will be able to cling to power if the BNP can be destroyed."

Pointing to the deserters of her party she observes, "A party becomes stronger when the conspirators and fortune-seekers leave it."

Talking to Holiday on Wednesday she said, "If anybody deserts the party in the future he will court his isolation from the people and find himself jettisoned like a fossil."

In the last 33 months the party has undergone a series of splits and many stalwarts of the party have shifted their allegiance from the BNP to the government.

Commenting on them Mrs Ziaur Rahman said, "In the past their speeches were suffused with the spirit of dedication for the people and the party, but it has been proved that to all of them the basic temptation is just the thrill of power for self-aggrandisement."

She seems to be very cautious in selecting the office-bearers of the party who will be entrusted with the task of steering it in the future as suspicion still lingers about the role of some front-ranking leaders in the party.

According to the constitution of the party, there are 33 offices in the national executive committee which is constituted with a maximum number of 185 members.

Begum Zia announced on Wednesday a 15-member national standing committee, the national executive com-

mittee and other committees.

Lt. Col. (retd.) Mustafizur Rahman has become secretary general of the party replacing Badruddoza Chowdhury who had already become inactive.

The presidents and general secretaries of the district and thana committees of the party who spoke at the extended meeting of its central bodies on January 12 demanded appointment of an active and dynamic secretary general.

Obaidur Rahman was also an aspirant for the second highest position of the party. His case was supported by a segment of the party led by Abul Hasnat and Jamaluddin Ahmed. Jamaluddin Ahmed has come into limelight again after a long period of inactivity.

Obaidur Rahman and Abul Hasnat have found place in the reconstituted standing committee while Jamaluddin Ahmed has become one of the vice chairmen.

Khaleda Ziaur Rahman hopes that the reconstituted national executive committee of the party will lead the people in intensifying the mass movement for restoration of democracy in the future.

She told Holiday that her party would not participate in elections unless they were held on the basis of the five-point demand under the supervision of a neutral government.

Asked as to how her party would put an end to the military government she said "We are not opposed to elections. We will restore democracy through participation in elections. But without movement, free and fair elections to a sovereign parliament under a non-party and neutral government cannot be achieved."

Regarding the "neutrality" of the government, she said that her party would make public a concrete interpretation of the term.

Begum Zia said that

this government could not be neutral since it could not sever its connection with the political party formed by it and announce that president Ershad would not participate in the election.

Replying to a question as to whether her party will take part in elections if the situation preceding March 1 is restored Begum Zia said, "Do you think President Ershad will cancel his referendum and upazilla elections?"

She said, "We do not accept upazilla. And so we still call it thana, not upazilla."

She said, "President Ershad fears election. To understand his pronouncements about elections one is to know him thoroughly and then can see through his scheme."

Questioned whether she wanted to overthrow the government by means of a conspiracy she said, "Had it been so, we would not have come out on the streets to carry on a movement with

the people's participation."

The BNP chief said that President Ershad had belittled the War of Independence by raising the controversy over the 1972 constitution.

She said that immediately after assumption of power he had pledged to hold elections on the basis of the suspended constitution.

In reply to a question about what her party will do if the Awami League agrees to take part in the elections she said, "Both the Awami League and BNP are committed to take part in elections on the basis of the five-point demand. None can betray the people. The betrayers are always rejected by the people."

Begum Zia said that the simultaneous movement by the 7-party combine, 15-party alliance and the Jamaat-e-Islami would continue until free and fair elections to a sovereign parliament are ensured under a non-party and neutral government.

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CSO: 4600/1399

PAPER REPORTS DEVELOPMENTS IN JATIYO PARTY

Party Fronts Named

Dhaka THE BANGLADESH OBSERVER in English 19 Jan 86 p 1

[Text] The Presidium of Jatiyo Party in its meeting on Friday, named the front organisations and deputed leaders including some Ministers to head the fronts.

The name of the Juba organisation will be 'Jatiyo Juba Sangathan' and Sheikh Shaidul Islam and Mr Saifur Rahman will be in charge of the organisation. The student front of the party has been named as 'Jatiyo Chhatra Party' and Mr Anwar Hussain Manju has been given its charge.

Mr Reazuddin Ahmed Bhola Miaf has been made the in charge of Labour Front and Jatiyo Mahila Party will be under the supervision of Mrs Mamata Wahab.

Munshi Abdul Latif and Mr Ali Imam will be in charge of Jatiyo Sechha Shebak Party and Kazi Jafar has been made in charge of Jatiyo Krishak Party. Mr Sirajul Hussain Khan has been made in charge of Jatiyo Matshajibi Party and Lt Col (Rtd) Jafar Imam in charge of Jatiyo Tanti Party, says a Press release of Jatiyo Party issued by Prof Abdul Matin, Secretary General.

National Body Members

Dhaka THE BANGLADESH OBSERVER in English 10 Jan 86 p 10

[Text] Names of more 100 members have been announced by the Jatiya Party for its national committee, according to a party Press release on Tuesday night, reports BSS.

The members are: Mr Mohammad Sanes, Mr Sirajul Hossain Khan, Mr Anowar Zahid, Mr Alamgir Majumder, Mr Khaledur Rahman Titu, Mr Iqbal Hossain, Mr Abdul Subhan Laki, Mr Asik Uddin Chowdhury Syed Akramur Rasul, Mr B.M. Kalimullah, Mr Asgar Ali Advocate, Mr Horay Krisno Das, Mr Alinur Rahman Khan Saju, Prof Md Yeakub, Prof Gulam Mustafa, Mr Mustafizur Rahman, Dr Salahuddin, Mr Harun-or-Rashid, Mr Nurul Karim Majumdar, Mr Md Shahjahan Sarder, Mr Badruddin Ahmed, Mr M.A. Mutaleb, Prof Md. Aminul Haque Miah, Mr Abdul Ghani Chowdhury, Mr Mafiz Ali, Khandaker Zahurul Islam, Mr Ataur

Rahman, Mr Anowar Hossain, Mr Md Khalid Masud, Mr Dr Abdul Jalil Khan, Mr Abul Kasim, Mr Abdul Malik, Mr Abdur, Mr Abdur Rahman, Mr Nurul Kabir, Mr Abu Zafor Mahmud Sarker Mutahar Hossain Manik, Mr Abdul Haye, Mr Mahbubul Alam Faruque, Mr Ataur Rahman, Mr Md Shahjahan, Mr Md Shamsul Haque, Advocate Shah Samsul Huda, Mr Md Mukbul Hossain, Mr A.K.M. Musa, Mr M.A. Reza, Mr Anowar Hossain Advocate Abdul Huq, Dr Rezaur Rahman, Mr Abdul Bari, Mr Abdul Hamid, Prof Mohsin-ul-Islam Harun, Mr Mustak Ahmed Samim, Mr Abdul Ghani, Mr Aminul Haque Bhuiyan, Mr Tapon Kumar Chowdhury, Mr Arefin Mutuali, Mr Karzon Ali, Mr Md Sirajul Islam, Mr A.T.M. Abdullah, Mr Abu Rejuan, Mr Abdur Razzaque Bhuiyan, Prof Yousuf Ali, Mr Abdul Khaleque, Principal Mohammad Hossain, Mr Abdul Mannan, Mr Abdus Satter, Mr Mir Hossain Miru, Mr Hafiz Uddin, Mr Abul Khair, Mr Atiar Rahman Kabir, Mr Abu Baker Sidique, Miah Harun-ar Rashid, Mr Makbul Hossain Sarker, Mr Abdul Main Bhuiyan, Mr Shamsul Alam Khokan, Mr Munir Hossain Mulla, Mr M.A. Gufbar, Mr S.M.M. Alam, Mr Abdur Rahman, Mr Amir Hamza, Mr Alauddin Ahmed, Mr Hasan Alimula, Mr K.G. Karim, Mr Abdul Gafur, Mr Abdul Kayum, Advocate Mr Amanulah Sarker, Mr Jamaluddin, Mr Azim Sarif, Mr Abul Kalam, Mr Mumin Ullah, Mr Nurul Azam, Mr Abdur Rashid, Dr M.A. Sikder, Mr Hatem Ali, Mr Abdur Rashid Miah, Mr S.M. Zakir Hossain, Mr Aminur Rahman Talukder, Mr Abul Kashem, Advocate Mr Sayed Abdullaheel Oashek, Advocate Mr Z.M.A. Zabber.

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CSO: 4600/1400

PAPER REPORTS RESOLUTIONS OF BNP SPECIAL MEETING

Dhaka THE BANGLADESH OBSERVER in English 14 Jan 86 pp 1, 8

[Text]

Bangladesh Nationalist Party (BNP) in its special meeting on Monday adopted a number of resolutions which include demand for holding parliamentary polls immediately on the basis of the five-point demand. The resolutions also include simultaneous movement with 15-party alliance, seven-party combine and Jamaat-e-Islami for the realisation of the five-point demand. Presided over by party chief Khaleda Zia, the meeting demanded release of all detainees including Chhatra Dal leader Jalal Ahmed, Feni District BNP President Advocate Abul Hasem, Vice-President Azizul Huq Pintu, General Secretary Shahid Uddin Ferdous, Feni Jubo Dal leader Giasuddin Peer, Abdul-lah Chowdhury and Chhatra Dal leader Ataur Rahman.

Regarding those convicted under Martial Law, the meeting demanded either repeal of conviction or chance of appeal to the higher courts. The meeting demanded freedom of the Press and restoration of fundamental rights.

The BNP special meeting in another resolution demanded immediate solution of Dahagram, Talpatty, Angarpota and Tin Bieha issues with India. The meeting also demanded immediate steps to stop erection of barbed wire fencing and watch towers along Bangladesh borders w. India. It also criticised the memorandum of understanding signed with India regarding sharing of the Ganges water.

The meeting demanded stoppage of fratricidal Iran-Iraq war and just solution of Palestine problem. The meeting in another resolution also condemned racism.

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CSO: 4600/1396

BNP CHAIRMAN ADDRESSES DELEGATES' CONFERENCE

Dhaka THE NEW NATION in English 27 Jan 86 pp 1, 8

[Text]

BNP Chairman Shah Azizur Rahman has called for a 'grand alliance of alliances' on the basis of only one point—bringing an end to the martial law government and replace it with an elected one.

Addressing a national delegates conference of his party at the Dhaka District Sports Association Auditorium yesterday, Shah Aziz said that he would continue to wage a movement against the government till restoration of democracy.

In a resolution the conference called for building up national unity on one point including the national five-point demand. It demanded a "return to the political and administrative situation existing prior to the March 1, 1985 like the dissolution of the party cabinet, folding of martial law courts and revival of the human and fundamental rights on the basis of the suspended constitution".

Shah Aziz criticised the President for addressing the recent public meeting of the Jatiya Party at Baitul Mukarram square and advised him to join politics after resigning from the army.

Referring to the demands of the Seven-Party and 15-Party Alliances and Jamaat-e-Islami for a neutral and caretaker government as their pre-condition to participate in elections Shah Aziz said he also held the same view.

He said the Government flouted an agreement with him when his party joined the Jatiya Front that polls would be held by December 1985 and added he had raised this issue on September 10 last year, and it meant their departure from the now dissolved front.

Shah Aziz also referred to the remarks about the legality of the 1972 constitution and observed that if some one considered it illegal then the 1972 constitution should also be deemed as illegal. Shah Aziz also termed the present governments as illegal.

Pointing to the newly formed Jatiya Party, which included a faction of his party Shah Aziz said that the new party would not be able to take off just as its predecessors like the Janadul and the 18-point council failed to do so.

Shah Aziz refrained from making any comment on Begum Khaleda Zia and Sheikh Hasina or any one else other than the government. He said that his party had been in the five-point movement and this would continue. Stressing the need for a grand alliance on one issue, Shah Aziz called for unity of all including CPB and Jamaat-e-Islami on one point.

Shah Aziz also lent his party's support to the SKOP's programme on February 2 and half-day programme on February 3.

In a written speech, Shamsul-al-Ameen, Secretary General of the party, explained in depth the party's stand about the now dissolved Jatiya Front. He said that Shah Aziz, despite offers of the post of "chief adviser with the status of prime minister," upheld the ideals of the party to establish democracy, remained firm on Bangladeshi Jatiyatabad, Islamic ideals and resistance to 'Indo-Soviet aggression.

He also reiterated party's stand about annulment of 25-year treaty with India, resolution of Farakka, Talpatty, Dahagram, Angarpota and border issues. He also called for release of all political prisoners including Lt. Col (rtd) Faruq and withdrawal of restrictions on weekly Jaijatra and Ittebad.

Shamsul-al-Ameen also disclosed that his party had already started working to form an Islamic united front with like minded parties. He also said that the party would launch a mass contact programme from February five to February 19.

Speaking on the occasion Senior Vice-Chairman of the party Abdul Alim said that if elections were held and President Ershad contested it, Shah Aziz would face him.

The conference was addressed, among others, by Golam Kibria Tipu and Abdul Wadud. After the conference, a procession was brought out which terminated at the Jatiya Press Club.

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CSO: 4600/1412

BNP CHAIRMAN NAMES STANDING COMMITTEE MEMBERS

Dhaka THE BANGLADESH OBSERVER in English 16 Jan 86 pp 1, 8

[Text]

In a surprise move Begum Khaleda Zia Chairman of Bangladesh Nationalist Party (BNP) has made former Home Minister Col(Rtd) A S M Mustafizur Rahman, Secretary-General of the party. Mr. Rahman has replaced Dr. A Q M Badruddoza Choudhury who has been made number two Vice-President.

Begum Zia also nominated the 15-member Standing Committee and the National Committee. The members of the Standing Committee are : Begum Khaleda Zia Mirza Golam Hafiz Dr. A Q M Badruddoza Choudhury Mr. A S M Mustafizur Rahman Mr. Obaidur Rahman Major General (Rtd) Md. Aliul Huq Mr. Saifur Rahman Mr. Abul Hasnat Mr. Abdus Salam Talukdar Mr. Emran Ali Sarker Col. (Rtd) Oli Ahmed Advocate Delwar Hussain Mr. Abul Mansur Ahmed Mr. Zillur Rahman and Dr. Yusuf.

The Vice-Presidents of the National Committee are : Mirza Golam Hafiz Dr. A Q M Badruddoza Choudhury Mr. Jamaluddin Ahmed S. A. Bari AT Choudhury Tanvir Ahmed Siddiqui Mr. Mahmudul Karim Chowdhury Mrs Farida Rahman Mr. Mohammed Ismail Mr. Abdul Baten Sheikh Razzak Ali Dr. R.A. Gani Mirza Ruhul

Amin Mr. Afazuddin Fakir and Advocate Shahed Ali.

Joint Secretary Generals are: Mr. Tarique Islam Dewan Sirajul Huq Mr. Sirajul Huq Mantu Mr. Abdul Matin Choudhury Mirza Abdul Halim Dr. Khandaqer Musharraf Hussain and Mrs. Shaina Khan. Treasurer Mr. L. K. Siddiqui

Organising Secretaries : Brigadier (Rtd) Hannan Shah-Dhaka Division Mr. Abdullah-al-Noman— Chittagong Division Mr. Mosharraf Hossain Shah-Isa Khanul Division and Mr Rezaul Huq Sarker—Rajshahi Division.

Mr. Akbar Hossain has been made Secretary special responsibility. Mr. Ahmed Nazir has been made Publicity Secretary while Mr. Harun-al-Rashid— Social Welfare Secretary and Al-Haj Siddiqui Rahman—Sports Secretary.

International Affairs Secretaries are — Mr. Jamiruddin Sarker Mr. Shamsul Islam Mr. Abdur Rab Chowdhury Mr. Shamsur Rahman Mr. Lokman Fakir Mrs Farida Hasan and Dr Fazlul Karim.

Cultural Affairs Secretary—Mr Rezabudowla Chowdhury, Office Secretary—Mr. Hamidullah Khan Youth Secretary—Mr. Abul Kashem Women Affairs Secretary—

Mrs. Sarvari Rahman, Youth Women Secretary—Mrs. Jahanara Begum, Students Affairs Secretary Mr. A.K. Mujibur Rahman Labours Affairs Secretary

—Mr. Nazrul Islam Khan Agricultural Secretary Mr. Abdul Mannan Bhuyan, Swarajbhar (self reliant) Affairs Secretary—Mr. Miah Mohan, Cottage Industries Secretary—Mr. Syed Manjur Hossain Mass Education Affairs Secretary—Mr. Fazlur Rahman Patal, Family Planning Affairs Secretary Mrs. Khaleda Rabbani, Law Affairs Secretary—Advocate Abdul Barek Industries Affairs Secretary—Mr. Khondoker Abdul Malek, Religious Affairs Secretary—Mr. Azizul Haque, Economic Affairs Secretary—Mr. Atauddin Khan Research Affairs Secretary — Mr. Salima Rahman, Relief and Rehabilitation Secretary—Mrs Tahmina Khan, Village Affairs (gram sarkar) Secretary—Mr. Abdul Hafiz Education Affairs Secretary—Prof. Yunus,

Bartister Nazmul Huda Barrister Rafiqul Islam Begum Rebeqa Chowdhury will act as Special Assistants to the Chairman.

Mr. Justice Maksumul Hakim will act as Law Consultant to the Chairman.

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CSO: 4600/1407

BANGLADESH

COUNCIL OF DEMOCRACY FORMS STANDING COMMITTEE

Dhaka THE BANGLADESH OBSERVER in English 20 Jan 86 p 8

[Text] Ganatantra Parishad (Council for Democracy) has formed a 33-member standing committee at a meeting on Sunday. The objectives of the council would be to hasten the process of restoration of democracy.

The names of 24 members of the Standing Committee were announced on the day while the rest would be co-opted. The Standing Committee has been formed with Mr Ali Ajmad Khan as the convener and Mr Ali Tarek as the member-secretary. The council also announced the formation of front committees.

The members of the Standing Committee include: Mr Ali Amjad Khan, convener, Mr Ruhul Amin Bhuiyan, convener Organising Committee, Mr Harunur Rashid, convener Information and Research Committee, Peerjada Deen Mohammad, convener International Affairs Committee, Mr M. Shahjahan, convener Finance Committee, Mr Fakhrul Islam, Convener Coordination Committee, Mr Jainul Abdein Faruk, convener of Publicity and Publications, Shah Obaidul Momin, Sports and Social Welfare, Dr Ulfat Rana, Youth Affairs, Mr Iqbal, Freedom Fighters, Mr Nuruzzaman Munna, Professional Kazi Nurunnabi, Labour, Mr Mahabbat Hossain Siddique, Office and Administration, Professor Asadul Huq, Education and Cultural Affairs, Shamsunnahar Khan, Women Affairs, Mr Jashimuddin Sechasebak, Mr Abdul Baten Chowdhury, Agricultural Affairs, Maulana Amin, Religious Affairs, Mr M.R. Barua, Chittagong City Committee, Mr Golam Mostafa, Student Affairs, Mr Roushan Ali, Law and Parliamentary Affairs, Principal Nurjahan Begum and Mr Ali Tarek.

The Standing Committee was formed at a meeting with Mr Ali Amjad Khan in the chair.

The meeting decided to form district and municipal committees by February 10 next.

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CSO: 4600/1402

UN DELEGATE PROTESTS INCIDENTS AT AL-AQSA MOSQUE

Dhaka THE NEW NATION in English 27 Jan 86 p 3

[Text]

Bangladesh (Thursday) expressed deep shock and indignation at recent incidents of desecration and profanation of the holy Al-Aqsa Mosque in Al-Quds Al-Sharif (Jerusalem), says an official source.

Mr Anwarul Karim Chowdhury, Acting Permanent Representative of Bangladesh to the United Nations in a statement in the Security Council debate on the situation in occupied Arab territories said that the wanton acts of desecration committed by the Jewish extremists with the help of Israeli authorities were clearly aimed at judaizing the holy places of Islam in Jerusalem and designed to provoke a confrontation aimed at perpetuating and escalating the policy of aggrandisement and terror against the Palestinian people, according to message received Friday. Expressing concern that such acts by the Israeli extremists had the serious potential of sparking off conflict and violence in a region which was already characterised by extreme vulnerability

the Bangladesh Representative hoped the Security Council, which had been entrusted with the primary responsibility for the maintenance of international peace and security, would be able to address itself effectively to the sensitivities of the world Islamic community by ensuring a complete and total halt to such acts of sacrilege against the holy places of Islam in Jerusalem and other occupied territories. The occupying power, he said, should be told that any recurrence of such incidents would seriously endanger international peace and security.

He emphasized that the Security Council, particularly its permanent members, had the clear responsibility to protect the unique character of Jerusalem and prevent any attempt to alter its status, emphasising that the holy city of Jerusalem was beyond the sovereignty of Israel.

The current Security Council debate is being held at the proposal made jointly by Morocco as chairman of the Islamic Conference and UAE as Chairman of the Arab Group.

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CSO: 4600/1412

INFORMATION MINISTER INAUGURATES NEW PUBLICATION

'Rowdyism' Condemned

Dhaka THE BANGLADESH OBSERVER in English 1 Feb 86 pp 1, 8

[Text]

Information Minister Shah Moazzem Hossain on Friday warned that those who were creating new "frankenstein" to achieve their selfish political ends would ultimately fall victim to their own creation, reports BSS. He was inaugurating the publication of a new Bengali daily 'Dainik Patrika' in Dhaka at the Jatiya Press Club.

Presided over by Mia Musa Hossain, Chief Editor of the daily, the function was addressed by Mr. Obaidul Huq, Editor Daily News Mr. A. B. M. Musa Chief Editor of BSS, Mr. Sanaullah Noori Chief Editor of Dainik Desh Mr. Iqbal Sobhan Chowdhury outgoing President of DUJ Mr. Shamsul Huda, former Editor of Morning News and Mr. Liaqat Ali Editor Dainik Patrika.

Referring to a stone throwing incident at the Press Club in which the glasses of cars and windows of the Press Club were damaged Shah Moazzem said by resorting to such ugly activities, 'The rowdy elements will not be able to do anything good for the society'.

He called upon the journalists to voice strong protest through their pens against such kind of attack on the Press. If these forces are not resisted 'peace and discipline in the society will be at jeopardy' Shah Moazzem said.

The Minister said there were many places to agitate against the government but not at the Press Club which, he added, is a sacred place.

Shah Moazzem welcome the publication of the Dainik Patrika and hoped it would project truth and write against injustices.

In this context the Minister reminded that the Government could not patronise a paper which only published reports of hijack acid throwing and other crimes to create a sense of frustration and anarchism.

He noted that a daily was publishing this kind of reports totally ignoring the other side of the story.

The Minister made it clear that the Government would provide cooperation to the newspapers which had been writing for social development and people's welfare and carrying forward the rational causes.

Press Freedom Endangered

Dhaka THE BANGLADESH TIMES in English 1 Feb 86 pp 1, 8

[Text]

Minister for Information Shah Moazzem Hossain has accused some opposition political parties of instigating the youths to commit violences on the university campus and elsewhere in the country.

Speaking as the chief guest at the launching ceremony of a Bangla daily newspaper at the Jatiya Press Club on Friday, the Minister said that these evil activities would one day boomerang on them.

Shah Moazzem Hossain said that such activities were neither designed for the transition to democracy nor could it do any good to the society. Earlier some 'outsiders' pelted stones at the Press Club.

The Minister said that some opposition leaders were pleading for an arms-free campus while ironically protesting the arrest of their supporters with arms from the varsity halls. Even under their duress a Vice-Chancellor had to resign from his post, he said.

Referring to the sensational murder of seven students of Dhaka University in 1974, the Minister said that the murderers of students were released from jail by a certain political party to conduct their election propaganda.

The Minister further posed a question, "who did kill nine people at a public meeting in the Baitul Mukarram Square?"

Turning to the question of the freedom of press Shah Moazzem said that the independence of press was snatched away by an elected government which tried to impose one party rule in the country.

The Minister said that the journalists of the country still observe a day as the day of killing the freedom of press.

He said that the efforts to hide the misdeeds of the previous regimes by creating violence would not succeed because the people would never

forget the days of misrule of those parties.

The Information Minister said that a daily was focussing on only the negative aspects of the society to give an impression of disappointment and thus to jeopardise the development of the country "Government cannot patronise such campaign by giving advertisements to such papers he said.

Mr. Obaidul Huq said that a paper remained a real newspaper so long it could reflect the hopes and aspirations of the common people.

He welcomed the publication of the Dainik Patrika as he felt that the country still needed brave and honest journalism.

Mr. A. B.M. Musa said that since ours was a free society everyone had the right to speak and so we had so many newspapers after independence. He said that credibility was the best capital of a paper.

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CSO: 4600/1419

DEVELOPMENTS IN DHAKA RELATIONS WITH EEC REPORTED

Talks with EEC Commissioner

Dhaka THE BANGLADESH TIMES, in English 4 Feb 86 pp 1, 8

[Text]

European Commissioner Claude Cheysson and Finance Adviser M. Syeduzzaman on Monday agreed to further widen economic co-operation between EEC and Bangladesh, reports BSS.

After their formal talks which lasted more than three hours at the Finance Ministry, ERD Secretary M. K. Anwar told newsmen that they reviewed the international economic situation and its impact on developing economies like Bangladesh.

Mr. Cheysson arrived in Dhaka on Sunday, on a six-day visit.

Mr. Anwar said the two sides were going to sign on Thursday a new food aid agreement under which the EEC would provide Bangladesh 120,000 tons of wheat and 100,000 tons of vegetable oil in the next few months. A new cereal seed projects, phase two, agreement, and possibly an agreement for cotton development, Phase Two, may be signed.

Mr. Cheysson and Mr. Syeduzzaman also discussed the question of replenishment of

the IDA aid at an appropriate level to sustain the flow of concessional aid to the least developed and other less developed economies.

Mr. Anwar described the talks as "very cordial" and said the two sides reviewed the entire relations between the EEC and Bangladesh.

The two sides' co-operation in the fields of economic development, project aid, the issue of commodity assistance — which is indirect support to Bangladesh's balance of payment — were discussed, the ERD Secretary said.

Describing the EEC food aid as an "important component", Mr. Anwar said this also was discussed.

The two sides, he said, reviewed all the 11 EEC-aided projects in Bangladesh and Mr. Cheysson expressed satisfaction about their implementation.

The European Commissioner, he said, made special reference to the "commendable way" Bangladesh Government utilised the counterpart funds generated out of the EEC assistance, the ERD Secretary said.

Mr. Syeduzzaman, briefed the European Commissioner on the economic development efforts in Bangladesh in general and also in the context of the third five-year plan launched during the current fiscal year.

Foreign Secretary Faruq A. Chowdhury, Additional ERD Secretary M. A. Hena, ERD Joint Secretary Dr. S. A. Samad and Foreign Office Director General, Ambassador Kazi Anwar Masud were present on the Bangladesh side. Mr. Cheysson was aided by Madame de Boumont, E. Fossati, de Villepin, Joel Fessaguet and Ludi Joseph.

HUMAYUN

Another message adds: European Commissioner Claude Cheysson and Foreign Minister Humayun Rasheed Chowdhury on Monday stressed the need for "early resumption" of the North-South dialogue.

Mr. Cheysson expressed the hope that the spirit of Cancun summit between the developed and developing nations held in 1981 would be revived for resuming the North-South dialogue, a Foreign Office Press release said.

Workshop on Jute Goods

Dhaka THE BANGLADESH TIMES in English 4 Feb 86 pp 1, 8

[Text]

Jute and Textile Minister M. A. Sattar on Monday called for serious endeavours to meet the threat of synthetics against jute causing a stagnant world demand for the fibre.

The competition, he told the inaugural session of four-day Bangladesh-EEC workshop on jute goods at Sonargaon Hotel, could be faced through ensuring stable supply and price, better quality, dynamic salesmanship and diversification of products.

He stressed on building buffer stock for jute to minimise production and price fluctuations and urged the international monetary agencies and the consuming countries to help set it up.

The inaugural session was addressed by M. Mashuqur Rahman, Chairman of BJMC, K. M. Rabbani, Secretary, Ministry of Jute and Textiles and Mominal H. Khan, chief co-ordinat-

or of the workshop. A message of J. Fessaguet head of office of the commission.

Mr. Sattar said the principal reason for the crisis in jute industry worldwide was the technological displacement of jute by other packing materials and the severe competition among the jute producing and exporting countries.

The Jute Secretary said since many of the European countries still had significant involvement in jute industries, "We should have mutual understanding of the various problems relating to trading, manufacturing and shipment of jute goods."

The Chairman of BJMC said that the world jute market size had reduced now by half a million tons to a little over a million ton. The loss of market in last two years was attributed mainly to the abnor-

mally high price of jute goods for various reasons.

Mr. Rahman said that over the past decade, except 1979-80 to 1983-84, jute industry had recorded a negative return on capital employed in it. Even during pre-independence period, jute industry could not earn operational profit, but the industry was kept operational with disguised subsidy like bonus vouchers, ranging from 30 to 35 per cent, he said.

Mr. J. Fessaguet said that the European Community was the biggest trading partner of Bangladesh. "244 per cent of total exports of Bangladesh go to EEC member states. EEC supports a number of trade and market promotion projects for Bangladeshi products in Europe and in the international market, particularly for leather, jute and jute goods," he said.

Cheysson Meeting with Ershad

Dhaka THE BANGLADESH OBSERVER in English 4 Feb 86 pp 1, 8

[Text] The visiting European Economic Community (EEC) Commissioner Mr Claude Cheysson called on President Hussain Muhammad Ershad at Bangabhaban on Tuesday afternoon, reports BSS.

During the meeting Mr Cheysson expressed the willingness of the EEC to finance projects in Bangladesh for producing agricultural implements and development of seeds. He also assured assistance for attaining self-sufficiency in food.

He said the existing ties of cooperation between the research organisations in Bangladesh and those in the EEC countries could be strengthened further and offered assistance for undertaking training and research programmes for the region particularly for the SAARC member countries.

The EEC Commissioner expressed satisfaction at the utilisation of the EEC assistance provided to Bangladesh in the form of project aid, commodity aid and food aid and said export stabilisation (STABEX) facilities by the EEC to Bangladesh will be extended to stabilise the country's export earnings. The STABEX will cover jute and certain other commodities.

President Ershad thanked Mr Cheysson for the support the EEC has extended to SAARC. He also thanked him for the support to the Sandwip cross-dam project and the Jamuna multi-purpose bridge project.

The President told Mr Cheysson about the difficulties being faced by the garments manufacturers of the country to export their products to some of the developed countries.

The Finance Adviser M. M. Syeduzzaman and the Secretary External Resources Division Mr M. K. Anwar were present.

Meanwhile the visiting five-member EEC delegation headed by Claude Cheysson had a meeting on Tuesday with the Minister for Food Maj. Gen. Mahabat Jan Chowdhury at his office.

Gen Chowdhury briefed the delegation about the salient features of the government food policy and thanked the community for its continued assistance to Bangladesh in the food sector official sources said.

Mr Cheysson and members of the delegation commended the implementation of the project's food storage godown in Bangladesh with EEC assistance the sources said.

/9317

CSO: 4600/1421

PRESS TOLD STATE OF ECONOMY AFTER 6 MONTHS OF YEAR

Dhaka THE BANGLADESH OBSERVER in English 16 Jan 86 pp 1, 8

[Text]

Finance Adviser Mr. M. Syeduzzaman told newsmen at a Press briefing on Wednesday at the conference room of the Ministry of Finance that the economic situation during the first half of the current fiscal year (1985-86) was by and large satisfactory. There is no cause for any alarm or concern about the overall performance of the economy during July-December period of the current fiscal year he observed.

The Adviser gave a detailed run-down about fiscal operations external aid flows, public sector development activities imports and exports and price situation during July-December '85 at the Press conference.

Aid disbursement

17 p c. higher

He stated that external aid disbursements during July-November '85 were 17 per cent higher than the related situation during the corresponding period last year. The food aid disbursements at 65 million U.S. dollars recorded a 100 per cent rise and projected aid disbursements at 220 million U.S. dollars a 25 per cent increase during the period under report over the corresponding period last year. There was a 25 per cent shortfall in commodity aid disbursements which aggregated to 103 million U.S. dollars during the first five months of the current fiscal year compared to about 128 million U.S. dollars during the corresponding period last year he said. But he added, the Government made adequate availability of foreign ex-

change out of its cash resources to meet the import requirements in the face of shortfall in commodity aid disbursement.

About import operations, Mr. Syeduzzaman stated that the 'hard-core imports' in terms of opening of Letters of Credit (LCs) stood at 828 million U.S. dollars during the first six months of the current fiscal year (1985-86) compared to 868 million U.S. dollars and 571 million U.S. dollars during the corresponding period in 1984-85 and 1983-84 respectively. The 'hard-core imports', the Adviser explained, exclude food sugar and POL (petroleum oil and lubricants) imports. The import performance during the first half of the current fiscal year was quite satisfactory in view of overimports of cotton, fabrics, edible oil etc last year, he maintained.

About exports the Adviser said the export target for 950 million U.S. dollars may not be attained because the export prices in case of raw jute, jute goods, hides and skin, tea etc have registered a decline and readymade garments exports have faced quota restrictions this year. He said that the the country's exports during the first five months of the current fiscal year stood at 351 million U.S. dollars.

Mr. Syeduzzaman stated with an optimistic note that the remittances by Bangladeshi nationals from abroad during 1985-86 would exceed the projected level of 430 million US dollars. The remittances during the first half of the current fiscal year amounted to 281 million US dollars, he added.

Bank credit expands by 4.5 per cent

The Finance Adviser said that the bank credits expanded by 4.5 per cent during July-December 85 compared to 14.3 per cent and 18 per cent during the corresponding period in 1984-85 and 1983-84 respectively. He pointed out that overall credit expansion in 1985-86 would be maintained within the limit of 14 to 15 per cent in view of substantially high credit expansion at 26 per cent and 31 per cent in 1984-85 and 1983-84 respectively.

Mr. Syeduzzaman, however, noted that the recovery situation of development finance institutions like Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha had not improved much. This, he added is affecting adversely new industrial investments in the private sector. The recovery situation relating to agricultural credits is also posing a problem, the Adviser noted. The overdues in

the agricultural credit sector will be around Taka 600 crores he added.

About the price situation, he said the cost of living index in the urban areas has shown a rise of 10.5 per cent and that in the rural areas 7.5 per cent during July-December, 85.

Referring to the operations in the productive sector of the economy, the Adviser said that the aman production this year was quite satisfactory. He felt that the food production target at 16.5 million tons for the current year (1985-86) would be achieved if there was no setback to boro and wheat production due to unfavourable weather conditions. He pointed out that the index of industrial production with 1975-76 as the base year (1975-76=100) stood at 153.39 in October, 85 compared to the average annual of 147 in 1984-85. He however felt that Industrial production Index would marginally record a decline in the months of November and December 85 due to labour and other troubles.

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CSO: 4600/1407

CONTROLLER GENERAL OF ACCOUNTS OFFICE SET UP

Dhaka THE BANGLADESH TIMES in English 19 Jan 86 pp 1, 8

[Text] The Government has decided to abolish the offices of the Accountant Generals and set up immediately a central accounts office to be known as the office of the Controller General of Accounts (CGA).

Official sources said that the major reorganisation programme had been taken up to departmentalise accounts and separate accounts from audit.

With the establishment of the office of CGA, existing offices of the Accountant General (Civil), Accountant General (W&W), Accountant General (PT&T) and Additional Accountant General (Foreign Affairs) will cease to function.

The offices of the Accountant and Additional Accountant Generals have been reorganised into 20 departmental accounts offices and three directorates of audit. The auditing functions of Accountant Generals' offices will be taken over by the offices of Director of Audit (Civil), Director of Audit (Works), Director of Audit (PT&T) and Director, Mission Audit.

Sources said that the office of CGA would be solely responsible for preparation and consolidation of the accounts of the republic and submission thereof to the Government.

The office of CGA will receive accounts from all the departmentalised accounts offices as well as from the regional, district and upazila accounts offices.

With the creation of the office of CGA, there will be complete separation of accounts from audit and the office of the Comptroller and Auditor General will be relieved of the functions of keeping of the accounts of the government as provided for in sections 3 and 4 of the Comptroller and Auditor General (Additional Functions) Act, 1974.

The functions of the office of CGA will include: keeping of civil accounts; preparation of appropriation accounts; preparation of finance accounts; coordination of the work of Chief Accounts offices, regional, district and upazila accounts offices.

Duties of the CGA among others, will be: maintenance of a central accounting system relating to receipts into and expenditures out of consolidated fund and public account and prepare annual accounts of the Government as a whole; to act as administrative head with the responsibility of overall administration of the offices under him; to issue accounts rulings and instructions in consultation with Comptroller and Auditor General where necessary; to ensure prompt disposal and settlement of audit observations.

The Controller General of Accounts will work independently but he shall seek general guidance from the Comptroller and Auditor General on procedural matters.

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CSO: 4600/1401

BANGLADESH

DHAKA, ADB 1986 LOAN CONSULTATIONS CONCLUDE

Dhaka THE BANGLADESH OBSERVER in English 27 Jan 86 pp 1, 10

[Text] The annual consultations between External Resources Division (ERD) and the Asian Development Bank (ADB) about the bank's lending and technical assistance programme to Bangladesh for 1986 concluded in Dhaka on Sunday.

The planned assistance programme of ADB until 1989 was also examined within the framework of the recently-approved Third Five-Year Plan of Bangladesh.

The ADB's Board of Directors proposed nine loans to Bangladesh for approval. However, the projects envisaged will have to meet "high technical and economic standards," and will also have to be processed in time for approval purposes. The projects include: 1) the second social forestry project, 2) the second agriculture project, 3) the Brahmaputra Gas Transmission Project, 4) the eighth power project for Dhaka distribution phase III, 5) the crop diversification project, 6) the second district town's water supply project, 7) the Khulna coastal embankment project, 8) an agriculture programme credit and 9) an energy sector studies programme.

The two sides agreed during the discussions that the lending strategy of ADB would conform to the priorities of the Third Five-Year Plan (TFYP) holding more prospects for the participation of the private sector. While major efforts will continue to be devoted to the agriculture agro-based and fertilizer production sub sectors, emphasis will also be placed in the transport sector and the social infrastructure development of Bangladesh, the two sides further agreed.

At the annual consultations between the two sides, Mr Paul Krukowski, country manager, led the delegation from the bank's headquarters in Manila and Mr M.K. Anwar, Secretary ERD, headed the government team, Dr Paul Koehling, Chief Bangladesh Resident Mission of ADB and other bank officials from Manila and the Resident Mission in Dhaka also attended the meeting.

Bangladesh, to mention here, is the largest borrower from the ADB's 'soft loan facility.' These loans carry a one percent service charge, 40 years repayment terms with ten years' grace and no commitment charge. The ADB approved till December '85 a total of 65 loans for a total of 1,819 million dollars US dollars to Bangladesh. The bank is also the aid coordinator in the energy and railway subsectors in the country.

Bangladesh has also been the largest recipient of ADB technical assistance and a total of 79 such assistance programmes had been approved by the bank as grant worth 34.5 million US dollars till December '85.

Meanwhile the main sectors covered by ADB loans in Bangladesh include agriculture (including agro-industry and fertilizer production--33 loans for 906.9 million dollars power and energy--13 loans for 539.40 million dollars transport--six loans for 148 million dollars and industry-development financing--8 loans for 119.60 million dollars).

ADB is also substantially involved in the education, public health and water supply sectors.

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CSO: 4600/1411

DETAILS OF PROJECTS TO RECEIVE IDA SUPPORT GIVEN

Dhaka THE BANGLADESH OBSERVER in English 17 Jan 86 pp 1, 10

[Text]

Bangladesh will receive credits totalling 156 million dollar from the International Development Association (IDA) in support of three priority projects, according to a Press release of the World Bank in Dhaka, reports BSS.

One of the projects is designed to strengthen family planning services in the country and to extend essential material and child healthcare to the rural population.

The second project will expand electric power distribution and the third aims at increasing the production of shrimp in an effort to boost export earnings and rural incomes.

IDA, the World Bank's concessionary lending arm, is providing a credit of SDR 75.4 million (78 million dollar) for a project which supports the Government's family planning programme and its efforts to reduce the mortality rate among mothers and children.

The Government will provide 21.8 million dollar for the 214 million dollar project and grants are expected to come from Australia, Canada, the Federal Republic of Germany, the Netherlands, Norway and the United Kingdom.

The training of field workers will be improved to ensure wider and more effective services in the rural areas. The number of workers and rural health and family welfare centres will be increased. Medicines, medical supplies and equipment will be improved to ensure wider and more effective services in the rural areas. The number of workers and rural health and family welfare centres will be increased. Medicines, medical supplies and equipment will be provided.

Public education programmes on family planning will be expanded and the training of women in vocational work and co-operative programmes will be supported. Support will also be given to non-governmental organisations involved in population activities and to research in family planning and health programmes.

Bangladesh has a population of 100 million double that of 35 years ago and growing at 2.6 per cent a year. The population density is about 600 people for every square kilometer, one of the highest in the world.

The new project will continue and expand activities started under two earlier projects, which were supported by two IDA credits amounting to 47 million dollar and 92 million dollar from bilateral aid agencies.

These earlier projects have helped to improve the quality and management of family planning and health services, raise the productivity of workers and increase the use of contraceptives through better delivery and information services.

The use of contraceptives is estimated to have doubled since 1979 to over 24 per cent. The new project aims at raising this to 40 per cent by 1990. Under the Government's previous projects, around 40 per cent of women in the mothers' club and cooperatives have accepted family planning. This proportion is well above the national average.

A second IDA credit of SDR 52.3 million (56 million dollar) will be used to finance part of a project to expand and reinforce the power transmission and distribution system of the Bangladesh Power Development

Board (BPDB) to meet forecast demand through the least costly means.

Other objectives are to stabilise the system's voltage to make the network more reliable and to reduce power losses in transmission and distribution. Technical assistance will be provided to strengthen BPDB's financial operations.

The project includes erecting about 582 kilometers of 132-kilovolt lines, extending 16 sub-stations to accommodate new lines, and installing two transformers in two of these sub-stations. The low-voltage distribution network in 14 towns will be extended and reinforced. And meters and metering equipment will be provided to bolster the program, to reduce power losses.

Consultants will help to supervise the design and construction of the project. Other technical assistance will focus on improving the commercial and financial operations of the Power Development Board, on reducing power losses and on a study on tariffs. BPDB's engineers and linemen will receive training.

The project, to be carried out over a period of four years, is estimated to cost 82.9 million dollar overall. The Government is providing financing of 11.4 million dollar, the BPDB 12.5 million dollar and the United Nations Development Programme (UNDP) three million dollar.

Bangladesh will use a third IDA credit, of SDR 20.8 million (22 million), to increase the production of shrimp in the country.

The project is expected to result in an additional annual production of about 1,500 tons of export-quality shrimp and about 1,800 tons of miscellaneous fish and shrimp. Exports will generate estimated foreign exchange earnings of about 8.7 million dollar a year about 14 per cent over current earnings. The added production will also boost the incomes of farmers.

An area of about 9,500 hectares of low-lying coastal lands in Khulna and Cox's Bazar in southern Bangladesh already under shrimp culture, will be improved. The project includes constructing embankments, water control structures, and shrimp hatcheries. Credit will be extended to shrimp farmers, traders, and operators of hatcheries.

Support will be provided for the establishment of a shrimp culture extension service which will give operational advice to farmers. Two demonstration farms and training centres will be established. Consultants will provide technical assistance in shrimp farming, project management, training, engineering and hydrology, and rural development.

The five-year project will cost 38.7 million dollar overall. The Government will provide 4.5 million dollar and UNDP an equal amount. Participating credit institutions, the Bangladesh Bank and private investors will provide other financing.

The IDA credits are for 50 years including 10 years of grace, they carry no interest but have annual charges (0.5 per cent on the undisbursed balances and 0.75 per cent on the disbursed balances).

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CSO: 4600/1398

BANGLADESH

DHAKA, DELHI SIGN WORK PLAN ON COMMON RIVERS

Dhaka THE BANGLADESH OBSERVER in English 19 Jan 86 pp 1, 8

[Text] Bangladesh and India on Saturday signed an agreed plan of work to be done over 10 months for joint study of the Ganges and other common rivers for sharing their waters, reports BSS.

Irrigation Secretary Muhammad Ali and Indian Water Resources Secretary Ramaswamy R. Iyer signed the agreed plan at the end of the three-day meeting of the Joint Committee of Experts (JCE).

The work plan provides for holding seven meetings and field visits for the joint study which started Thursday when the JCE began its first meeting in Dhaka.

A joint Press release issued at the end of the meeting on Saturday morning said the work plan spells out the procedure and method of functioning and the schedule of activities for the joint study having the mandate to recommend a scheme or schemes for augmentation of the dry season Ganges flows at Farakka and sharing other common river waters.

Asked by newsmen whether India had any more prejudices against inclusion of Nepal for the development and sharing of the Ganges waters, the Indian delegation leader, Mr Iyer, told newsmen at the Zia International Airport before his departure for New Delhi "There is no prejudice against Nepal. There never was."

The Bangladesh delegation leader, Mr Ali, who saw the Indian delegation off at the airport said, "All possibilities were considered and the work plan, methods and work schedule prepared to complete the work of the joint study in 10 months."

Of the stipulated 12 months given to JCE when it was set up in November, eight weeks have already passed, Mr Ali said.

"We have not discussed the substantive part," Mr Iyer said, replying to whether inclusion of Nepal had been decided in view of the Indian Prime Minister Rajiv Gandhi's recent statement to the Press expressing Indian willingness to sit down with Nepal and Bangladesh, who already had been keen for cooperative efforts to jointly develop the Ganges waters for mutual benefit.

Replying to newsmen's questions, Mr Iyer, however, said that it was not a statement of Mr Rajiv Gandhi but that the Indian Prime Minister had expressed the willingness of his country to sit down with Nepal and Bangladesh on the Ganges question.

"All possible methods for the dry season Ganges augmentation will be considered," Mr Iyer said.

Asked when India could be expected to go to Nepal with Bangladesh or sit down with Nepal and Bangladesh for the joint study, Mr Iyer said, "Nepal is one possibility. There are other possibilities."

Pointing at Mr Ali, his Bangladesh counterpart, Mr Iyer said, "We are busy. We have so many other things to do. So for the next 10 months we have agreed on the work plan for the joint study--some agreement regarding data exchange. We have agreed on the timetable."

"These are preliminary work," Mr Iyer said.

"No possibility is excluded," Mr Ali said, answering whether Nepal has already been included for the joint study.

Mr Ali said that the problem which defied a solution in the past had to be approached in right earnest.

"We have to find out," Mr Ali said, adding, "How do we go about it."

Mr Ali described the work plan signed on Saturday as "On the whole satisfactory."

The JCE was scheduled to start the agreed 12-month joint study immediately on its (JCE) constitution on November 22.

The delay in holding the first JCE meeting which began in Dhaka Thursday last marking the start of the study, cost two of the 12 stipulated months.

JCE sources said that now almost every month there will be a meeting alternately in New Delhi and Dhaka.

The joint Press release said the JCE at the first meeting had detailed discussions in an atmosphere of "cordiality and understanding" on the work to be accomplished and time frame for its completion and agreed upon the procedure and method of functioning and the schedule of activities for the joint study.

It is said that the JCE would meet next in New Delhi in the last week of February.

Indian High Commissioner I.S. Chadha was also present at the airport to see off the Indian delegation.

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CSO: 4600/1400

PAPERS REPORT DEVELOPMENTS IN JUTE INDUSTRY

Press Note on Strike

Dhaka THE BANGLADESH OBSERVER in English 14 Jan 86 pp 1, 8

[Text]

The Government on Monday renewed its appeal to the striking workers of jute mills in the country to give up their 'illegal and politically motivated strike and resume work immediately' reports BSS.

In a Press Note the Government again requested the leaders of the labour organisations associated with the strike to call off their strike forthwith.

The Press Note issued by the labour and Manpower Ministry said that some sramik federations were indulging in an indefinite strike in the country's jute industry preferring confrontation by illogically discarding the path of discussions. The Government believes that this strike is totally illegal and is against the interest of national economy workers and employers it said.

The Press Note pointed out that the Jute Mills Corporation recently increased wages of the workers involving an additional expenditure of Taka 50 crore annually.

It said the Government has been repeating its appeal to call off the strike to maintain peace and discipline in mills and factories. But some labour leaders have been showing unreasonable and uncompromising attitude. This is undoubtedly contrary to the efforts to preserve the interest of the workers the Press Note said adding the Government could not remain a silent onlooker in such circumstances.

Following is the Press Note: "Abstention from work has been continuing in some jute mills of the country since December 28 as a result of illegal strike call given by Jute Mills Sramik Karmachari Sangram Parishad. It needs to be mentioned for the information of all concerned of the steps taken by the Government to end the illegal strike.

On behalf of the Government the Labour and Manpower Ministry held several rounds of talks with the concerned labour organisations before the start of the illegal strike, from December 19 to December 28, for consideration of their demands in a peaceful way. The Labour and Manpower Minister Mr. M. Korban Ali, presided over the meetings.

One day before the beginning of the strike, that is on December 27, a meeting was held with the concerned labour leaders at the residence of the State Minister for Labour and Manpower under the chairmanship of the Labour and Manpower Minister.

In the meeting, the labour leaders dwelt on the five issues as precondition for withdrawal of strike. These are: Payment of arrear wages from July 1, 1984 in accordance with the agreement of the Sramik Karmachari Oikya Parishad (SKOP) with the Government, payment of house rent to the workers at the same rate as given to the employees covered by the Pay Commission, payment of two festival bonus on the occasion of two Eids equivalent to two months salary,

introduction of piece rate at all levels of the jute mills and implementation of incentive bonus, in jute mills.

It may be mentioned in this context that the industrial sector is passing through a recession in the world market. Although the world economic recession is one of the main reasons of this situation, the gradual decline in the market of the jute goods in the face of stiff competition by the synthetic materials is the real factor for this condition. Another negative aspect of this industry is that Bangladesh alone can meet the entire demand of the jute goods in the international market. As such, the prices of jute goods have to be reduced step by step in the competitive market because of the abundance of supply in the market compared to the demand. The scopes for loss in the jute industry continued to exist because of fixation of the prices of goods below the production cost. This will be clear from an assessment of the losses and profits of the BJMC. The salary of the workers has been increased in view of the cost of living despite losses incurred by the BJMC.

The official position on each and every point raised by the leaders was explained in the context of this situation. The Government had earlier come out with an explanation about the payment of the arrears from July 1, 1984. The Government agreed in 1984 to give effect to increased salary from July 1, 1984. At that time, the labour organisations had agreed to accept Taka 460 as the minimum salary. When the increase in salary was made, it was fixed at Taka 560, which was 100 Taka more than the agreed amount. The workers will be more profitably in this amount although this will not be effective from July 1, 1984.

More than Taka 100 in fact the increase has been since there will be increase in house,

rent, provident fund and gratuity because of the increase in the basic salary. There is no denying the fact that the demand for arrear is no longer justified after the increase of Taka 100 in the basic salary.

An explanation about the payment of house rent to the workers like the employees of the Pay Commission was given during the negotiations. The basic salary and the fringe benefits are within the jurisdiction of the Wage Commission and the salary and other financial benefits of the Government and semi-Government officials and employees fall under the jurisdiction of the Pay Commission. As such, the recommendations of the Wage Commission and the Pay Commission are unlikely to be the same since the two commissions were functioning separately. For instance, the minimum salary of the workers has been Taka 60 more than the minimum salary of Government and semi-Government employees. On the other hand, the system of house rent for the workers is different from that for the Government and semi-Government employees. All workers receive house rent at the rate of 30 per cent but this allowance ranges from 30 to 50 per cent in respect of Government and semi-Government officials and employees. This rate varies from 40 to 55 per cent in the five big cities.

On the other hand, the officers and employees of the Government and autonomous organisations provided with houses are not entitled to house rent. Moreover, they have to pay house rent from five per cent to seven and a half per cent either to the Government or to the autonomous bodies. But in case of workers they receive house rent even if they get houses and pay house rent at specified rates. As a result, some surplus remains after the payment of house rent. Inspite of such a situa-

tion a Government decision to narrow down the disparity in house rent will be announced soon.

Discussions were held on the introduction of piece rate at all levels of jute mills. This aspect was examined, re-examined and reviewed exhaustively till the last one decade. From these reviews and assessments it is clearly proved that it is not possible to introduce piece rate system. It is not possible any where in the world to introduce piece system at all levels of jute industry. It is not possible in our country also. But the Government agreed to constitute a task force in principle to review whether some steps could be taken to remove the difference in the wages between piece rate and time rate workers. The labour leaders also expressed themselves in favour of forming such a task force but they raised the demand for giving some interim concessions to narrow down the difference in their wages. It is not possible to give interim relief without first reviewing the matter closely and assessing the overall condition of the jute industry.

During the discussions demand was raised to give one bonus each on the two Eids. It is not possible to bear any additional expenditure in this industry in view of the overall present condition of the jute industry. The question of making any additional expenditure can be considered only when profit can be earned. The Government proposed to set up a task force for taking realistic steps for the implementation of the incentive bonus. The discussions on the issue did not make further progress for immediate changes. Other when the labour leaders continued their pressure for immediate changes. Other demands were described as local in character. The Government held out the assurance to remove these problems after discussions with the concerned authorities.

Bangladesh-EEC Workshop

Dhaka THE NEW NATION in English 8 Feb 86 p 3

[Text]

Threat posed by synthetics to jute industry, constant loss of market for jute products and the measures to stabilise the prices of jute goods, ensure their supply and to increase their competitiveness were discussed threadbare by the participants on the second day on of Bangladesh-EEC workshop on jute goods, reports BSS.

The discussions spreading over two sessions centred on jute industry of Bangladesh and its relationship with Europe in consumers specially the state of hessian market in Europe.

A paper on "state of Bangladesh Jute Industry and

overview" was presented by Mr. Salahuddin Ahmed, former Jute Secretary, in the morning session. Mr Shamsul Huq Chisty, Secretary, Ministry of Establishment and Chairman International Jute Council, presided over the morning session.

In the afternoon session three papers were presented Mr. M.M. Rezi, Director (Marketing), Bangladesh Jute Mills Corporation, read out a paper on hessian market in Europe.

Mr. Frank Butler, President, European Jute Goods Association, and Mr. Nigel Coltam, Vice-President, UK Jute Goods Association, presented one paper each dealing with market condi-

tions and their significance for the manufacturers and sellers of Bangladesh jute goods.

The EEC delegates referred to different aspects of competitive European market and highlighted the need for price stabilisation of jute and jute goods, diversification of products, regularity of supply and further improvement in quality.

The participants from Bangladesh side recognised the perennial problem of uncertainty in jute crop and its chain effect on price of exportable jute goods. They sought cooperation from European traders and assistance in improving the market of Bangladesh jute products.

Minister's Paper at Workshop

Dhaka THE BANGLADESH TIMES in English 6 Feb 86 p 5

[Article by Salahuddin Ahmed]

[Text]

In the mid-fifties being charmed by the virtues of public enterprises and autonomous bodies, we launched Pakistan/East Pakistan Industrial Development Corporations. We had a plethora of Public Agencies like (A) Jute Marketing Corporation, (B) Jute Trading Corporation, (C) Jute Prices Stabilisation Corporation and (D) Bangladesh Jute Corporation with avowed intention to bring relief to the jute growers. After Liberation of the country we went further left—of the—centre by nationalising outright raw jute export and jute goods.

We started however rediscovering virtues of the private enterprises and magic of the free market system, in more recent years. But has all these innovations and saw movements been able to

prevent a steep descent of jute from the world market or have these innovations succeeded in improving the lot of most of the marginal farmers?

Raw jute availability statistics, both current year's production and previous years carry-over together, have seldom been optimum in relation to world demand conditions for raw jute and jute goods. In 2nd five year plan period (1980-85) Planning Commission projections were for 65.00 lac bales production per annum. Statistics will show that production in all these 5 years were far short of the optimum required. It also brings into clear relief, years like 1961-62, 1965-66, 1969-70 and 1970-80 when annual production roughly in the neighbourhood of 73-74 lac bales was far too much

than what was required or demanded. Again in years like 1960-61, 1975-76, 1981-82 jute was produced around 40-43 lac bales only i.e. far too short of the optimum.

It may be observed there has been hardly a year when optimum required was available. Over-abundance of raw jute supply has led to very steep fall in prices to an extent that the actual cultivators in many years failed to get their expected returns, sometimes returns were even lower than cost of production. This was followed by sharp and adverse reaction by jute cultivators leading to withdrawal symptoms, lowering jute production in the following year by reduction increase and reversal of over abundant supply into inadequate and absolutely meagre supply.

When prices again shoot up, windfall profits emerging for the middlemen bringing once against water into mouths of the cultivators, making them forget their woes and agonies not in the distant past.

This unstable highly fluctuating see-saw movement is happening almost in every one or two succeeding years making concerned Ministries and agencies swear about making buffer stocking arrangement, creating godown and warehouse facilities, making easy credits available

with all jute purchasing agencies but then these are soon forgotten if not shelved as soon as the exigency is over. If instead of glut a particular year is found to be a year of too short supply and the reason for short-supply is detected in the non-availability of certified seeds or improved seeds, resolutions and arrangements are made for enhancing procurement and manufacture of more certified seeds.

But again in the following year, situation perhaps has changed and the farmer shows reluctance in buying the improved or certified seeds. A few hundred maunds of seeds remains unsold and explanations are sought from the official concerned for having procured or manufactured more than could be marketed to the farmers.

That an expenditure of about half a crore Taka for supply of improved seeds is a kind insurance premium for an industry or jute economy worth 1000 or 1200 crore Takas a years is not appreciated by the officials involved in the conventionally red-tape method of carrying business. Or perhaps, responsibility for seed procurement arrangements have in the meantime changed from one ministry to another new-found Ministry and these new agencies were not in talking terms and may have changed supply norms without much ado regarding arrangement for seed supply.

In official literature dealing with Intensive Jute Cultivation Scheme (IJCS) a casual reader will find that a case was built in that cultivation of jute was of special interest to Bangladesh providing (a) much needed cash crop for millions of farmers; (b) providing employment by farming as well as in jute industry, and (c) ensuring earning of much needed foreign exchange for the country as a whole.

But then after a few years when IJCS just started making raw jute supply more adequate as in next-four years of 1977-80, the Scheme was merged by the Government with all other crops, depriving jute special treatment already accorded.

Between 1982-84 the more industrialised and advanced parts of the world passed through a deep depression which vicariously is called the worst Recession since Great Depression days of 1929-32. USA one of our biggest buyer of jute goods—carpet backing cloth (CBC) and hessian — from where around one fourth of our total foreign exchange from the sale of jute goods is earned but in the following year 1985 when the Recession was reversed by a booming economy in the USA and the rest of the industrialised world, raw jute production 49.39 lac bales and previous years carryover (10.47 lac bales) was one of the lowest at 59.86 lac bales.

The result was we were not being able to sell as much as 25 lacs bales and we witnessed the phenomenon of jute being sold at its highest price recorded in history around 700-800 Taka maund. Jute goods with such high cost raw jute component were priced out by synthetic substitutes and markets thus lost might have been lost for ever for Bangladeshi jute, not to speak of loss in both public and private sector mills of around 200 crore Taka in that year only.

We have to consciously plan a strategy to implement the same by devising a workable mechanism and meticulously working out an implementation plan. Because of previous years carryover of jute, in some years we might need as low as 50 lac bales, again in some other years in absence of such high carryover, we might increasingly need as high as 75 to 80 lacs bales of raw jute. One way to ensure a steady factor is to work out a buffer stocking arrangement even though it is to be financed, organised and operated exclusively by Bangladesh.

Bangladesh Jute Corporation (BJC) may take a leading role for creating a buffer stock. A Jute Price Stabilisation Fund may be created as an independent unit with Jute Ministry as the co-ordinating authority. As financial institutions share prosperity of good marketing conditions, as well as the reverse of it, the financial burden could be shared by banking institutions and the Government including jute and jute goods corporations and their private counterparts all of whom have a stake in jute economy.

Let us have a quick resume of jute goods production and exports in the recent past.

i) The best production years during Pakistan phase of jute industry may be grouped between 1965-70 (See 'A', Table-III—Annexe C). During these 5 years a total of 24,27,918 tonne of jute goods were produced which gives actual average production of 4,85,584 tonne per annum; although in 1969-70 the highest production in pre-liberation Pakistani days was achieved at 5,69,509 tonne.

ii) In post liberation period, we better totally omit 1971 and 1972 from consideration being extremely disturbed years. Between 1972-77 a total 23,96,667 tonne (See 'B', Table-III—Annexe

C) jute goods were produced and actual annual average production comes to 4,79,333 tonne which is marginally less by about 6,000 tonne in comparison with those of 1965-70 quinquennial average.

iii) Jute goods produced between 1977-82 (See 'C', Table—III—Annexe-C) comes to a total of 2,72,928 tonne and the quinquennial average comes to 5,54,586 tonne. Production during this period registered an impressive increase of an average 69,602 tonne per annum. Production in 1980-81 as well as 1981-82 far exceeded the Pakistani best in 1969-70.

iv) In 1982-93 (See 'D', Table — III — Annexe C)— 5,69,853 tonne were produced which is equal to 1969-70 attain in Pakistani phase. In the other subsequent 2 years far less was produced as can be seen (Table — III(D) — Annexe-C).

v) In 1969-70, 5,62,012 tons were exported which is the best ever during that regime. In 1977 — 5,30,75 tons were (exported: in 1980-81— 5,01,436 tons; in 1981-82— 5,37,355 tons and in 1982-83— 5,14,116 tons were exported. Subsequent 2 years export figures are far behind.

Although it was not my intention here to gloat over performance in post-liberation phase nor to draw adverse comparisons under nationalisation and private phases, my contention as a citizen and as a student of economics is that, this debate is irrelevant and the villain of the piece is demand constraint vagary of supply and cut-throat competition from synthetics aggravated by adverse terms of trade for Bangladesh and sole dependence on its one commodity for the bulk of its foreign exchange.

Demand trends for jute goods will reveal that consumption of jute and jute goods have been progressively decreasing in the indus-

trially advanced countries where synthetic substitutes have very effectively replaced jute as the situation has been only partially mitigated by increased consumption of jute goods in the socialist countries of the world and the rest of the developing countries.

Synthetic substitutes like polypropelin have snatched away large chunks of the existing markets and also substantial share of the emerging newer demands especially in the carpet backing (CBC) sector that have been growing at a considerable speed in the industrially advanced countries. As against a generally gloomy picture and none-too-happy international trade situation marred by restrictive tariff and non-tariff barriers, Bangladesh indeed managed to hold its own jute trade share to a large extent until very recently.

To quote an Editorial of the Business Standard, Calcutta in its issue of June, 1982 it said "Bangladesh due to her better varieties of jute, lower labour costs and more modern machinery are having a better position in the world jute goods market than India. The Indian jute goods traders should concentrate more on home market than abroad since it is not possible to compete with Bangladesh in the global market" (The New Nation, Dhaka, dated 28-7-82—reproduction).

Against the back ground of declining demand for jute and jute goods globally, we have the other more depressing phenomenon whereby the poor primary producing developing countries are perennially trading with developed industrialised countries on unequal terms of trade, draining away their meagre resources which is hindering growth and development. Jute price which was say 100 Taka in 1970-71, in constant real price became Tk.

64 in 1978-79 and today it is even worse.

We are giving away more and more raw jute and jute goods to buy same quantity of manufactured goods from developed affluent countries.

Bangladesh depending practically on a mono-crop and a mono-industry for the bulk of its foreign exchange has to feel the pinch more than any other producing or exporting countries in the world. Without solving such basic problems, countries like Bangladesh cannot attain a self-sustaining economy. It has been estimated that a buffer stock varying between 7 and 8 lac bales as a floor and 14/15 lac bales as a ceiling could have a cost component of Tk. 100-125 crores.

It has been variously estimated that some Tk. 50/60 crores went down the drain mainly in years of plenty and low jute price for the benefit of unscrupulous jute buyers who pocketed the difference between Statutory Minimum Price (SMP) and the actual market price and that this amount if it could have been earmarked/envisioned could have gone a long way to build up a really well thought out planned buffer stock for Bangladesh.

If the baleful effects of excess supply could be segregated imaginatively with the buffer stock mechanism then, as is customary, the meagre availability as a result of climatical vagaries or fluctuating economic swing sometime in favour of rice in some years followed by its reversal in favour of jute in some other years, not only on the raw jute front but also on the jute goods front would have given us several great economic advantages or satisfaction in a row. With every Recessions such as we witnessed in 1974-75 and the recent one in 1979-80 (and every prognostication of the recession get-

ting deeper and deeper), we would not have been required to resort to production cuts.

With 50/60,000 rolls as of CBC unlisted stockpile in SAVANNAH (USA) Port which was enough to feed next 3/4 months' total US CBC requirement, we were forced to resort (and make intelligent use of the opportunity made available) to large scale replacement of long neglected machinery but such partial stoppage of work aggravates the already gloomy unemployment situation of the country.

Our power failure is chronic and it would seem that even with frantic attempts to rectify the situation we may have to live with it for a while. So, some stockpile of finished jute goods would have come to our rescue in meeting with confidence our international obligation, in the event of temporary power failure/shortage.

Availability of such stockpile would have also sobered down the indisciplined labour leaders trying to fish in troubled waters. While we charge industrialised countries producing, consuming and importing synthetic substitutes in preference to natural fibre goods at home we find Government Agencies like BADC imports huge quantity of fertiliser, packed in synthetic bags could have been procured in bulk and packed subsequently in jute bags at the unloading point and thus domestic consumption of jute goods could have been increased to a considerable extent.

Such procedure for procurement of fertiliser in synthetic bags, whatever might have been the exigencies cannot auger well for a sound jute economy. Does it need to re-iterate that such incongruities need to be banned unless we talk with our "tongue in the cheek"?

Formation of the International Jute Organisation (IJO) while it will be idle to expect that all the woes would have vanished the moment it was functioning, it would be appropriate to expect that IJO would at once start off with a number of studies in different directions specially in the real market promotion and demand conditions, projections for future (a) in the developed countries (b) in the socialist countries and (c) in the developing countries.

A study about the possibilities of diversification of products in the light of studies in Research and Development (R & D), another study into removal of restrictive conditions and tariff and non-tariff barriers and remedies thereof should also be launched at the earliest.

A global study on jute and jute goods, whether IJO does it or not has to be done by Bangladesh.

/9318

CSO: 4600/1396

TEA PRODUCTION RISES, EXPORT TERMED UNSATISFACTORY

Dhaka THE BANGLADESH OBSERVER in English 20 Jan 86 pp 1, 8

[Text] Chittagong, Jan 19--Tea production in the country relatively picked up last year.

The production last year totaled over 43 million kilograms as against 38 million kilograms in the previous year.

According to Tea Board sources, the current year's production target from 152 tea gardens of the country was fixed at 44 million kilograms. But the present pace of production gives the impression that the total production will not fall behind the target.

Last year the total production included two million kilograms of tea from about eight thousand acres of plantation of eighteen Chittagong tea gardens. The average per acres production in Chittagong tea gardens stood at 250 kilograms. The price of tea in Chittagong auction on average fetched about Tk 60 per kilogram last year. Compared to the average national tea price, Chittagong tea in the auction fetched an average of only Taka 44 per kilogram last year.

The export of tea from Bangladesh also registered an increase last year. The total export of tea from the country last year stood at 32 million kilograms as against an export of 24 million kilograms in the previous year. The total export target for the current fiscal year was fixed at 34 million kilograms.

Export

In comparison with the rate of production the export performance is not satisfactory. The sudden fall in export to the biggest consumer--Pakistan--is said to be the reason for poor export performance. However, the quantum of export to Pakistan has been gradually picking up. A tea delegation from Bangladesh recently visited Pakistan to sort out the problems facing the two countries over tea trade. The situation has further improved with the start of tea export to China from Bangladesh.

The tea planters are optimistic of better production this year. The prospect of production however, predominantly depends on rainfall. The import of 5500 tons of sulphate ammonia fertilizer for use in tea gardens will help achieve better crop production this year.

Fertilizer

To ensure quality tea two central factories will be set up at Dantmara of Chittagong and Juri Valley of Sylhet. The less developed gardens will be benefited by manufacturing its crops from these central factories at a cheaper and economic rate. The EEC sanctioned a grant for setting up these factories.

The Government has decided to give long term lease of vacant land in 25 tea estates where fresh plantation of tea would be undertaken. More gardens will soon get long-term lease of their vacant land to undertake plantation.

/9317

CSO: 4600/1402

BEGUM ZIA SPEAKS ON TROUBLE IN UNIVERSITIES

Dhaka THE NEW NATION in English 27 Jan 86 pp 1, 8

[Text]

BNP chief Begum Khaleda Zia has called upon the students to build up united resistance and movement against the government for freeing the educational institutions including the universities from arms.

Addressing a rally of students at Jahangirnagar University yesterday she said that the "illegal" government had supplied arms instead of books to the students. Consequently, the educational institutions have turned into theatres of terror, she added.

Presided over by Monir Ahmed, President of Jatiyatabadi Chhatra Dal Jahangirnagar University Unit, the rally was addressed, among others, by BNP Secretary General Mustafizur Rahman, Joint Secretary General Shahina Khan, Student Affairs Secretary Mojibur Rahman and central acting President Shamsuzzaman Dudu.

Prior to the rally, the conference of the JU unit of the student wing of BNP was held. A 41-member committee of the unit was formed with Saiful Islam as its president.

Referring to the violence on the campus, Begum Zia said that there was no congenial academic atmosphere on the campuses which had been in the grip of in a state of disorder.

She said that while the students were carrying on a movement for people-oriented educa-

tion and congenial academic atmosphere, the government had unleashed a wave of repression to suppress the legitimate demands of the students.

Begum Zia said that this government had detained students to stifle the movement. She demanded unconditional release of all student and political detainees including Jatiyatabadi Chhatra Dal General Secretary Jalal Ahmed, Niru and Bablu.

Referring to the economy of the country, the BNP chief said that under continued martial law the economy of the country had virtually collapsed.

She said that the prices of agricultural inputs had increased and the peasants had been pushed towards destruction as they were being continuously fleeced and denied fair prices for their products.

Begum Zia said that industrial production had suffered severely and foreign goods had flooded the local market.

She said that due to deteriorating economy, the law and order situation had worsened and there was no security in the society. This situation should not be allowed to continue and the country and the nation had to be protected, she added.

Begum Khaleda Zia said that her party had been waging the five-point movement for establishment of a representative government and bringing about an end of martial law.

/9317

CSO: 4600/1412

BRIEFS

OUTER SPACE TREATY--Bangladesh has acceded to the treaty on principles governing the activities of states in the exploration and the use of outer space, including the moon and other celestial bodies' outer space treaty citing a Foreign Office press release, BSS reports. The treaty prohibits placing in orbit around the earth of any objects carrying nuclear weapons or any other kinds of weapons of mass destruction, the installation of such weapons on celestial bodies, or the stationing of them in outer space in any other manner. The establishment of military bases, installations, and fortifications, the testing of any types of weapons and the conduct of military manoeuvres of celestial bodies are also forbidden.
[Text] [Dhaka THE NEW NATION in English 22 Jan 86 p 1] /9317

NATIONAL AWAMI PARTY--The newly formed National Awami Party after the merger of NAP (Harun) Jatiya Ekata Party (Altaf) and a faction of NAP (Mozaffar) on Thursday formed a 9-member team for carrying out various organizational activities. Pankaj Bhattacharya has been entrusted with the responsibility of organisational matters, Sardar Abdul Halim will look after public relations, Azizul Islam Khan office affairs, Maulana Ahmedue Rahman Azmi publications, Suranjit Sengupta coordination. Advocate Ali Haider Khan students and youth affairs, Advocate Zakir Ahmed finance, Kamal Haider publicity and Nazrul Majid Belal will look after cultural affairs. [Text]
[Dhaka THE NEW NATION in English 1 Feb 86 p 3] /9317

JANADAL LINK DISOWNED--Jatiyo Party leader Mohammad Abdur Rab who was joint law affairs secretary of now-defunct Janadal has expressed his surprise at the mention of his name as a signatory to a statement issued by 21 Janadal leaders. He said that he had become a member of the national committee of the Jatiyo Party with the merger of Janadal with it. He said that there was no existence of Janadal with the formation of Jatiyo Party upon inspiration by President Ershad. He also said that the activities of those who had issued the statement on behalf of Janadal were conspiratorial.
[Text] [Dhaka THE NEW NATION in English 25 Jan 86 p 3] /9317

15-PARTY PROTEST--The meeting of the 15-party alliance held yesterday with JSD (Siraj) President Shajahan Siraj in the chair protested against censorship on the news. A resolution of the meeting said that while censorship was imposed on the news of the opposition, the newspapers were compelled to publish the government statements. The resolution said that this situation

could not be allowed and it had become an urgent task to fight for freedom of press together with the journalists and employees of the newspapers. The Alliance said that it would announce a direct action programme along with different professional groups if any response from the government side to the demand of the alliance in connection with the President's remarks was not available by today. It has invited the leaders of different classes and professional organisations to a meeting at 4 p.m. today at the DDSA auditorium to exchange views. [Text] [Dhaka THE NEW NATION in English 19 Jan 86 p 1] /9317

EXPULSION FROM BNP--BNP Chief Begum Khaleda Zia has expelled Mr Noor Mohammad Khan from the organisation 'for violation of party discipline and anti-organisational activities.' His primary membership has also been cancelled, according to a party press release. [Text] [Dhaka THE NEW NATION in English 18 Jan 86 p 1] /9317

TOAHA DEMAND--Comilla, Jan 12--Samyabadi Dal chairman Mohammad Toaha has said the newly formed Jatiya Party is a house of cards which may collapse in a simple storm. Mohammad Toaha was addressing a workers conference of his party at Birchandra Town Hall this evening chaired by the chairman of Comilla brace of the party Abdur Rashid. It was addressed among others by central leaders Asaddar Ali Dilip Barua, Khondoker Ali Abbas and Abdur Rouf. Criticizing the Government for prolonging martial law in the country, Mohammad Toaha said on various pleas it was announcing specific election dates. He demanded of the Government to form a national government with representatives from all the patriotic political parties for the interim period. [Text] [Dhaka THE NEW NATION in English 13 Jan 86 p 1] /9317

JOINT VENTURES APPROVED--The standing committee of the National Committee for Industrial Development (NCID) has approved eight foreign investment proposals involving a total of Taka 23.45 crore including foreign exchange component of Tk 11.24 crore, reports BSS. The approval was given at a meeting of the NCID held yesterday at Bangabhaban with President Hussain Muhammad Ershad in the chair. The joint venture proposals include aluminium doors and windows, shrimp hatchery, plastic products, sewing machine, digital clocks, wrist watches and calculators, plastic gas lighters and food preparations. The foreign participants in these projects are from United States of America, United Kingdom, China, France, the Philippines, Thailand and Macau. According to official sources, after implementation of these projects they are expected to earn foreign exchange to the tune of Taka 11.94 crore through exports and save foreign exchange to the extent of Taka 4.50 crore annually through import substitution. The sources said the project would generate employment opportunities for over 600 persons. [Text] [Dhaka THE NEW NATION in English 27 Jan 86 p 1] /9317

CSO: 4600/1413

TRIBAL LEADER MALIK KUKIKHEL INTERVIEWED

Islamabad THE MUSLIM in English 31 Jan, 1 Feb 86

[Article by Rahimullah Yusufzai]

[31 Jan 86 pp 1, 8]

[States Conditions to End Impasse]

[Text]

On the American role in the Afghan crisis.

The United States has its own axe to grind. It is the enemy of the Muslims the world over. It is behind every Israeli aggression, and our holy Bait al-Maqdas is still under Israel's occupation. It had a hand on the firing in our holiest of places (in Mecca) in Saudi Arabia. All the problems which beset Iran, Afghanistan, Lebanon, Libya, Yemen and the Middle East as a whole are because of American machinations.

America is all the more an antagonist of Pakistan. President Ayub once told me when I was an MNA that the Americans had advised him not to deploy troops on Wagah border in 1965 as there was no likelihood of an Indian attack, while at the same time it encouraged India to launch an attack on Pakistan at that very place. I do not want to belittle the sacrifices of the Bengalis but the United States certainly had a role in the dismemberment of Pakistan and the birth of Bangladesh. America has never shown any interest in the Kashmiris' right of self-determination in a plebiscite.

America is now up to mischief in our part of the world. In its efforts to destabilise Afghanistan, it is exposing us to the cross-fire. This policy of confrontation will only enhance Pakistan's insecurity.

On the role of the Soviet Union in the region.

Can you show me one single instance of the Shuravi's unfriendliness to the Islamic world? I have already enumerated the hostile acts of the Americans (against the Islamic countries). Shuravi are friends of the Arabs against Israel. Didn't they come to our rescue by arranging the Tashkent Agreement between India and Pakistan after the 1965 war to save us from defeat?

As for its intervention in Afghanistan, everybody is quick to blame the Shuravi but why do they close their eyes to the unwarranted interference of seven other countries in Afghanistan - United States, Canada, United Kingdom, France, West Germany, China and Japan?

On the question of Afghan refugees and their role in a settlement.

They haven't come here to wage a jihad. They don't kill the Shuravi but their Muslim Afghan brothers. The Ashraf kill, loot and create lawlessness in places where there are no Shuravi and Afghan soldiers. They destroy their country and its institutions and then claim to be freedom fighters.

Their long stay in Pakistan has threatened the country's security and created law and order problems. They are involved in the bomb blasts, which they explode with impunity in both Afghanistan and Pakistan. Look at the

Peshawar [PIA building] explosion. It was so tragic. By the way, why

can't they be restricted to their camps according to UN regulations as Iran has effectively done? Moreover, it is time Punjab and Sind were also asked to keep some of the refugees as NWFP and Baluchistan have had enough of their share.

On the fact that he and his supporters have brought arms from Afghanistan.

It is not the first time that the tribesmen are arming themselves with Afghan arms. We have been doing so since Ghazi Amanullah's time. And you must know that Wali Khan Kukikhel is not the only tribesman who has been gifted arms by the Kabul government. In fact, our share of less than 2,000 rifles (mostly Chinese Kalashnikovs, along with some Russian Kalashnikovs and American guns) is the lowest, although (jokingly) we certainly intend to add to this score.

The others got more. (Reading from a diary) The tribesmen of South Waziristan received 8,500 rifles on 10th December 1985 through Dr Abdur Rashid Wazir and the nephew of Aurangzeb Magsud. In North Waziristan, as many as 6,500 guns were distributed till February 2, 1985 through Niaz Ali, the nephew of the Faqir of Ipi. The total for Bajawar Agency is 6,500 and for Kurram Agency, 4,000. Maulvi Habibullah in Mohmand Agency got 5,500 weapons from Kabul. The Parachamkani tribesmen received 2,000. The Shuravi have set aside 6½ lakh rifles for us. Most of these are captured arms from the Ashraf.

On the allegation that he and his compatriots indulged in heroin-manufacturing and smuggling and other crimes.

The heroin-wallahs have not even been touched. The business goes on as usual. The claim that 70 heroin-manufacturing laboratories have been destroyed is false. I can pinpoint each and every person who indulges in such activities. Only the houses and property of patriotic elements have been demolished. The dealers had the right connections, and some bribed officials to escape punitive action.

Some very high official functionaries are involved in the racket. I can name them if you like. I know who is the "King of Heroin" and whose brother is involved in international drug smuggling. If they want to locate the heroin laboratories, they will find so many of them in and around Loargai [Landikotal]. I know of a businessman who worked hand-in-glove with high-ranking officials.

I am amused by the comment that no opium grows in our Agency. It has been our oldest crop and the mainstay of our agriculture. Along with sugarcane, it is our main cash crop, although 'bhang' is also grown in abundance in barani [rain-fed] lands. In fact, the opium production will be more this year. I maintain that Islam has not forbidden opium cultivation. The arbitrary ban on its cultivation has resulted from American pressure.

We are not averse to stopping opium cultivation. Our only demand is that the affected cultivators, who are mostly poor, must be duly compensated. We will not haggle on payment of compensation, although we estimate it to

be more than Rs 10,000 per acre. We want that the American funds for the areas affected by the ban on opium cultivation should be spent judiciously rather than be pocketed by corrupt government functionaries.

On his political leanings and affiliations.

Our struggle is not politically motivated and there are no politics in the Tribal Areas. But if you insist I can tell you that my alignment will be with the political party which enjoys the support of 75 per cent of the country's population. I have great respect for Bhutto. He was hanged due to American pressures. His tribal policy was 80 per cent correct and the area saw major development during his tenure.

I agree in many respects with the PNP, although I feel the party has some communist affinities. We share ideas with the NDP, though its stand has not always been clear.

On the system of administration in the tribal agencies.

The system of Political Agents and Maliks is now obsolete. It is corrupt and has facilitated corruption. It is decadent too. The Maliks represent nobody. They are the servants of Political Agents and care only for their own interests.

The MNAs and Senators who represent us are misfits, as the sole criteria for their election is money. With the probable exception of Said Khan Mahsud, the other legislators we don't accept. Have they ever opened their mouth on tribal problems? Did any one of them raise the issue of the Khyber Agency operation?

I prefer a phased transition to

representative government in keeping with our tribal traditions. Universal adult franchise may be an abrupt start, but it can be tried later. However, I may add that we have our tribal practices of Jirgas in our egalitarian system, which has served us so well for centuries.

On chances of a settlement of the Khyber dispute.

The new Governor [Nawabzada Abdul Ghafoor Hoti] seems to be a good man, unlike the past one who conducted a personal vendetta against me. We would respond if offered a chance to negotiate. We propose that a representative body, comprising among others MRD nominees, should arbitrate in our dispute. But we would certainly demand accountability of the former Governor and others who forced us to take up arms and seek shelter in caves.

Nobody is in greater need of peace than we. The operations against Afghanistan must stop from the tribal belt. This nation of 10 crore must be allowed to decide matters affecting its destiny as such decisions can't be taken solely by a few Generals.

Delay in resolving the Khyber dispute will do us no good. I have already issued appeals to the United Nations, to India, to the Soviet Union, to the OIC, and to Afghanistan about our maltreatment at the hands of the Pakistan Government. We may even decide to raise the black flags which the successive Afghan rulers gave us years back as a guarantee of their support in times of need. That will be the signal to invite their support. But we are in no hurry to probe that option.

[1 Feb 86 pp 1, 8]

[Blames U.S. For Aghan Crisis]

[Text]

WALI KHAN KUKIKHEL has listed five conditions which could form the basis of a breakthrough in the Khyber Agency impasse and lead to a resolution of the festering dispute.

In an interview with "The Muslim" at his Toda Mena hideout, the estranged Afridi chieftain said

he wanted guarantees about the special and independent status of the Tribal Areas, safeguarding of the time-honoured tribal traditions, non-interference in tribal affairs, protection of the tribesmen's historical, legal and moral rights, and accountability of all those responsible for the December 1985 operation in Khyber Agency. He said there was nothing new in his demands as the first four were his original conditions while the

fifth had to be appended following what he termed as "the barbaric, un-Islamic and unwarranted army action against us".

The comprehensive interview, conducted after a 1½ hour trek in mountainous terrain from Ali Masjid up the mule track leading to Tirah, covered every aspect of the problem now afflicting the strategically important Khyber Agency.

The turbaned Malik, aged about 74 years, had wrapped himself up in a woollen chaddar to escape the biting cold and also because he was not feeling well. About 70 of his Kukikhel clansmen were also present, including his prominent supporters like Hajji Gul Shah, Malik Gul Rehman and the young activist Barkat Ali.

Seated on the ground in rows and forming a cordon round their leader, these old and young Kukikhels had gathered to exchange views in preparation for the next day's grand Jirga of the eight Afridi sub-tribes, the Shinwars, and the Storikhel Orakzais.

In a clear and precise tone, Wali Khan Kukikhel replied to queries like a shrewd politician, consulting a diary as he spoke, narrating anecdotes and occasionally smoking cigarettes. Following are excerpts from the interview conducted in Pashto:

On the likelihood and basis of a settlement in Khyber Agency.

No dispute has ever been resolved in the world through war. Decisions forced on a nation or a country never prove durable and are challenged the moment a weaker power is strong enough to undo the wrong. I have always been and still am, amenable to a negotiated settlement. I am willing for an arbitration according to Quran and Sunnah. Can there be anything more holy for us Muslims than the Quran?

Nobody has taken the trouble to heat our side of the story. We have been portrayed as traitors, killers, criminals and narcotic dealers in an unprecedented campaign of character assassination. My people know me very well and my countrymen would also be able to separate the chaff from the grain when the time comes. The allegation that I refused to accept the arbitration by Sheikh Gul Sahib [a spiritual leader of Khyber Agency] is baseless and malicious as I would be the last person not to keep my word.

How could he justify the righteousness of his cause.

My cause is the cause of all tribesmen from Chitral to Zhob. We are struggling to safeguard our identity and special status. We have not rendered sacrifices for nothing. Somebody had to take up the cudgels to put a brake on the government's creeping encroachment on our sovereignty and I am proud of assuming that mantle. I

can't allow my land to be turned into a battleground and be used as a base for operations against a brotherly country.

On the quantum of support he enjoys in the Khyber Agency in particular and the Tribal belt in general.

I don't want to brag but I can safely claim that 95 per cent of the Afridis of Khyber Agency are on my side. The majority of Shinwars,

Mullagoris and Shilmanis dwelling in the Agency are also convinced that we must protect our special position. As for the other six tribal agencies, (Moinand, Bajawar, Orakzai, Kurram, North Waziristan, South Waziristan), and the tribesmen at large, they have an equal stake in what I stand for. You may have heard of Malik Khandan of North Waziristan. We have assurances of all out support from this influential man in case of need.

We have received similar messages of support from other tribal agencies. Right now I am unable to travel to these places to argue our case and secure assistance. I am certain the whole of NWFP and all the Pakhtuns are sympathetic to our cause, not to speak of other democratic, nationalist forces in the country.

On his capacity to retaliate in the event of a major confrontation with the government.

That is a moot point. But I must tell you that our friends in Afghanistan are prepared to give us any type and any amount of weaponry. And mind you the Shuravi [Soviets] manufacture the best and the most effective ammunition in the world.

I could have immediately mobilised a few thousand of my supporters to retaliate when the authorities were destroying our houses with tanks, artillery and bulldozers. But we didn't do that, because we are not like the Ashraf [Afghan refugee] who are playing havoc with their own homeland.

Despite provocations and humiliation, we didn't fire a single shot. We didn't even explode bombs (winking) which is what the Ashraf specialise in.

On his reaction to the government operation in Khyber Agency.

We certainly didn't deserve such a callous treatment. Even the

British colonialists didn't treat us like this despite our stiff opposition to their rule. To be singled out in this country of 100 million Muslims for such an action is all the more reprehensible, because we have as much claim to being faithful Muslims and patriots as the rulers.

If nothing else, they should have taken into account the sacrifices of our forefathers, who kept the spirit of freedom alive in the Indian Sub continent against every usurper. The tribesmen's role in the independence struggle is manifestly clear, and how can they erase our contribution in the independence of Azad Kashmir? The bones of my people killed in Kashmir still serve as food for the jackals!

It was an inhuman operation. We were made shelterless in the winter cold and rendered refugees in our own land. They blockaded our area, stopped food supplies and refused admission to our patients in hospitals. The agency was under seige and the prices of food items shot up; a bag of atta selling at Rs 500 in Jamrud and at about Rs 900 in Loargal. And our only fault was that we had struggled against imperialism and for the independence of Pakistan, and also against misrule.

On repercussions of the Khyber Agency action.

It has only embittered our feelings and further estranged us from the mainstream. I think it is an American game, as it wants to exterminate all opposition in the tribal belt so that it is able to use it as the base of its counter-revolution activities in Afghanistan. As we refused to agree to turn our land into a battlefield, therefore they decided to cow us down by a show of force.

Why don't they understand that such a policy may push the tribesmen into the lap of communism? One has to look out for friends in times of adversity. But for our patience, this confrontation might have escalated. We held our hand as we don't want to fight against our own army, our own people and country. We didn't cross over into Afghanistan to internationalise the dispute as the Ashraf have done. I have no doubt that a reaction on our part to the government's injustice can trigger a Third World War. But why should we want to destroy our own children?

On the strategic significance of the Tribal belt.

It has always served as a buffer, and in the new circumstances the tribal borders have become even more important. With the Shuravi

[Soviets] so perilously close, Pakistan cannot afford instability in this area. The tribesmen have a decisive role and they can alter the weight of the scales either way by aligning with Pakistan or Afghanistan.

On his relations with the Democratic Republic of Afghanistan in the historical and present context.

We consider Afghanistan as our fatherland and Pakistan as our motherland. We have historical bonds based on a common past, culture, ethnicity, language and religion. We are tied by the knots of kinship and blood ties. No power on earth can sever those links. Just like the Kalabagh Dam which aims at destroying the North-West Frontier Province, any snapping of our ties with Afghanistan would result in our isolation and eventual destruction.

On the Afghan dispute and chances of its settlement.

Every nation has the right to chose its own system of government. No country has the right to interfere in another's affairs. The brotherly people of neighbourly Afghanistan are capable of deciding their own future without our advice and exhortations. Pakistan should mind its own business and let the Afghans sort out the issue themselves.

The Geneva talks are of no use. There must be direct talks between Pakistan and Afghanistan. I offer my services for a rapprochement between the two Islamic and neighbouring countries. We, tribesmen, have always been shown respect in Kabul and I can safely claim that I would bring about a settlement ahead of the Geneva talks. I can even bring Babrak Karmal to Islamabad.

As for the presence of Soviet troops in Afghanistan, I have no hesitation in saying that our experience has shown us that the slavery of foreigners is less of a botheration than the slavery of one's own people.

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PAKISTAN

BRIEFS

NEW PIA CHIEF--The Federal Government has appointed Air Marshal M. A. Daudpota as Managing Director PIA, with immediate effect, according to a notification of January 25, 1986, issued by the Ministry of Defence (Aviation Division). He succeeds Air Marshal Wizar Azim who has been transferred, it was officially stated today. Air Marshal Daudpota has already started holding office and is visiting different departments and operational areas for on the spot briefing and appraisal. [Text] [Islamabad THE MUSLIM in English 1 Feb 86 p 1] /13104

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